

### Introduction

Employees' resistance to change has often been identified as a major problem for researchers/consultants when implementing a new program, activity, or intervention in an organization. This problem often occurs due to a lack of employee involvement in the proposed changes which leads to employees' feelings of fear, mistrust, and a lack of understanding of how the proposed changes will affect them. The results of such feelings often lead employees to vocally reject the new policies/programs, non-comply with new regulations/procedures, and to possibly sabotage the new project.

Since Coch and French's (1948) classic study on the beneficial effects of participation of the workers in the change process, researchers have identified several ways to reduce resistance to change. Recommendations on reducing resistance include the following:

- (1) Resistance will be less if the persons involved feel that the project is their own, not devised and operated by outsiders.
- (2) Resistance will be less if the project clearly has wholehearted support from top officials of the system.
- (3) Resistance will be less if the project accords with values and ideals that have long been acknowledged by participants.
- (4) Resistance will be less if the program offers the kind of new experience that interests participants.
- (5) Resistance will be less if participants have joined in diagnostic efforts leading them to agree on the basic problem and to feel its importance. (Zaltman et.al., 1973)

The current study illustrates these principles in the analysis of an intervention designed to improve employee relations and change the structure of the recreational club of a large East coast bank.

The methodology used involved a survey designed to assess the current recreational needs of the workforce, thus actively involving the employees in the change processes itself.

### Background

For many years the bank was a moderate sized, local and regional bank with a relatively homogenous work force. The upper level employees tended to be white, protestant and male and the lower level employees were largely women and potentially upwardly-mobile white males. Centered primarily around one main office and a few branches, the employees maintained good relationships with one another and participated in joint social and recreational activities during the

year. Common backgrounds and shared interests encouraged participation in such annual activities as a Christmas dinner-dance, a fall dance, a family picnic and so on.

These activities were organized through a bank-sponsored recreational association (known as the Bank Club). While membership in the Bank Club was open to all employees, the charter of the Club excluded officers of the bank from membership on the Club's board of directors. In actual practice, these directors were chosen in elections and usually came from the middle and lower levels of employees. The employees planning a given event were allowed some time off of work at the discretion of their supervisors and the bank provided the basic financial support. The person coordinating an activity recruited fellow employees for the planning, setting up and running of the event and was usually formally recognized at the activity by one of the senior officers of the bank. Thus, the association was a unifying force for the employees, with opportunities for all levels within the bank to meet socially, and for a few individuals to perhaps advance their career by demonstrating the ability to plan and coordinate a large activity. (Indeed, several of the current officers of the bank had served on the board of the Club before they were selected to become officers.)

As the bank grew larger, the work force also became more diverse with the inclusion of blacks, hispanics, Asians and female bank officers. More branch offices were opened and the feeling of cohesion among the employees diminished. In addition, certain levels of employment became largely associated with one or another ethnic group and the opportunities for upward mobility from the lower levels of employment were felt to be strongly curtailed. With such a shift in environment, the previously successful recreation association was no longer able to maintain its unifying influence. With the exception of the few sporting activities, such as a soft-ball team, and the Christmas dinner-dance, the activities became self-segregated by both ethnic group and job level. The Bank Club's democratic charter, because of ethnic solidarity in voting, ended up supporting segregation of employees by both level and ethnicity. The Club's elected board of directors drew its members almost entirely from the lower levels of employment, which lacked the knowledge and experience necessary for the complicated planning and running of the now large affairs. And since the lower level

employees, and thus the board of directors, tended to be mainly black, the leadership of the Bank Club was clearly not representative of the varieties of personnel in the company. Few of the upper level employees, white, Asian, or black, attended the various activities unless they were required to do so. Further at some events, outside guests almost out-numbered the employees. When the Christmas dinner-dance became a huge and costly event and included a fist-fight and the accidental punching of the teenage daughter of a senior Vice President, it became apparent that some modification of the structure and function of the Club was required.

#### Methods of Change

Obviously making changes by the usual downward exercise of authority could not be applied in this case; any change in the manner of elections or the widening of the potential membership of the board of directors of the Bank Club to include the more experienced employees (including bank officers) that was done by fiat would likely be viewed with suspicion and hostility by the lower eschalon employees.

#### Design of the Study

This study proved to be an excellent opportunity to apply survey methodology to what is clearly a social/industrial organizational project of determining the problems and developing solutions that would facilitate change without creating resistance.

In order to develop a consensus for change, a collective decision making process had to be designed that would include members from all segments of the bank. Survey research methods provided not only the way to reach such consensus as to what the needed changes were, but provided a framework for implementing the changes.

And since any collective decision made in a formal organization such as a bank were subject to later legitimization by the action of top management, care was taken to coordinate all phases of the study with the relevant other senior vice presidents. By careful, step by step procedures, we were able to overcome resistance to change and produce recommendations that were satisfactory to the employees and to the senior officers of the bank.

#### The Use of Outside Consultants

It was apparent that any study conducted by a member of the bank would be open to suspicion that the results were not objective, if not outrightly biased. Thus, the hiring of an outside consulting team was a necessary step. In addition, the consultants had to establish their independence, for many employees, especially those on (or friends of) the Board of Directors of the recreation association could be expected to fear that outsiders would be critical of

their performance without being aware of the handicaps or restrictions under which they worked. This could be especially threatening if the consultant was viewed as wanting to implement changes without understanding the Bank Club, as well as the formal and informal structure of the bank.

#### Orientation of Consultants - Informal Interviews

Once we had been briefed by top management, we asked to interview, in an informal way, a dozen past and present members of the recreation association, both board members and non-board members, and to have many levels of employees represented. Prior to any of these interviews, the bank's newsletter carried a brief statement that we would be conducting a study of the recreational needs of the employees.

These informal interviews were usually conducted near the employees place of work and, when possible, at least two of the consulting team were present. By having one senior and one junior consultant present, a friendly atmosphere was easily established. And by allowing the interviewees to explain to us the functioning of the recreation association, its strengths and shortcomings, and their suggestion as to what was now needed, we were able to perceive the needs for change.

It was also apparent that our desire to learn from those who had been actively involved in the Bank Club over the years (from 20 plus years to one year) was transmitted through the informal information network. Those interviewed last seemed to know what we had been told by some of the previous interviewees, and wanted to add their comments. At all interviews we asked if we could take notes and were always given permission. Indeed, the respondents seemed to welcome the chance to have their input into the change process. (We were careful to point out that this was not just an information gathering process, but that decisions would eventually be made that would affect their personal recreational needs.)

#### Analysis of Interviews - The Structuring of a Questionnaire

All three consultants reviewed the notes made during the interviews and a summary of important points was made. This summary was then discussed with the V.P. for Human Services, for without top management support for innovation, the study would have the potential for doing more harm than good. Only data whose results the management is willing to implement should be gathered in this type of survey. (While this restriction may seem self evident, the senior author has seen it violated in a study of job satisfaction and employee resentment increase to the point that special action had to be taken to avoid many resignations.)

It was obvious that the repetition of

the same activities, year after year, was not serving the recreational needs of the employees, and that other, different activities were desired. Sports, vacation trips, buying trips and discounted tickets to plays and concerts, were among the activities that were specifically mentioned. Further, the desire to have some activities limited to the members within a branch (or division) was also mentioned.

There also appeared to be a willingness to open the leadership of the recreational association to officers of the bank, which would be a major change. It was decided by top management and by the consultants that officers up through the level of Assistant Vice President could serve in leadership roles in the recreation association, if the survey results showed a favorable response.

A structured, precoded questionnaire was developed and pretested on a new sample of ten employees. Their comments on the wording, additions, etc were collected and appropriate revisions made. A final form was developed for administration.

#### The Sample

A master list of all employees up through the level of Assistant Vice President and was prepared and sorted by division and by office within division, providing a sampling frame of 1,753 names. A sampling fraction of one in five was established to insure that at least one person would be selected from within each office (except for the few very small ones). This was important so that the survey would be seen to truly represent all the employees and thus help to have the findings accepted, whatever they turned out to be. After selecting a random starting point, 350 names were selected.

#### Questionnaire Administration

Prior to administering the questionnaire, another, longer article about the study was published in the bank's newsletter. This article discussed the general purpose of the survey and stressed the opportunity for the employees to help determine both the need for and direction of any changes.

The survey was administered in group sessions, held in two central locations. For the sampled employees on the night shift, or in branches who could not come to a central location, special stamped return mail envelopes were included. The return address was that of the consultants, not of the bank management.

At the group sessions, the employees picked up a survey form that was inside an envelope with their names on it. The general instructions were discussed, and the employees were assured of complete anonymity. The employees returned the forms in one pile and the envelopes with their names in another. This allowed their names to be checked off the list of sampled employees, while maintaining

anonymity.

The mail questionnaires had extra assurances from the consultants that we would not put their names on any forms and would protect their anonymity. Informal checking showed that the respondents found no questions that were threatening and that they were pleased to have had the chance to participate. Of the sample, 30 were on long term leave, had resigned, or were otherwise unable to participate, leaving an effective sample of 320. From these, 278 completed questionnaires were obtained for a response rate of 86.9 per cent.

#### Additional Survey

During the time the survey was being conducted, the management of a recently purchased wholly owned subsidiary, whose employees had been given access to the activities of the Bank Club, became interested in having their membership surveyed. A master list of the 300 employees was developed, and a suitably modified questionnaire was administered to a random sample of 50. From these 44 responses were obtained, for a response rate of 88 per cent.

#### The Survey Results

Perhaps the most significant finding was that all levels of bank employees thought that opening up participation in leadership roles in the Bank Club to officers of the bank would strengthen the association. This is shown below, where the percents of agreeing ranged from 70 to 87. Also, just over 50 per cent of all grade levels said they would be willing to serve on committees if the leadership was opened up.

	<u>Grade Level of Employee</u>				<u>Total</u>
	<u>1-10</u>	<u>11-15</u>	<u>16+</u>	<u>Officer</u>	
Agree	83%	71%	87%	70%	78%
Disagree	17%	29%	13%	30%	22%
N	84	82	55	50	271

These findings allowed top management to broaden the participation in the Bank Club and thus ensure that a higher level of expertise would be available when required.

Further, there was no appreciable difference in the overall agreement on this issue between the members of the bank and their subsidiary, with the percentages agreeing being 78 and 77, respectively. The survey also found that only 2.2% had helped "plan or run" a Bank Club activity during the past three years and that only 1.4% had been a Bank Club board member during the same time period.

The bank newsletter published these findings, and stated that "It is thus clear that the leadership roles should be opened up to all employees through the level of Assistant Vice President." We felt that this clear consensus among the employees was strong enough to overcome any potential resistance to change, and that the pressures usually found in organization to maintain stability, especially in existing social relationships, could

be minimized. Thus, when all the findings had been published, the top management of the bank met with the elected officers of the Bank Club and suggested that to implement the required changes, the leadership should be appointed by the management, rather than elected by the employees. The Bank Club board members agreed, and stated that they would be happy to assist in the change-over. The change was made two months later and resulted in an integrated board, in terms of ethnic groups, grade levels, and sex. The appointed board met and selected its own committee structure and chairpersons. An informal followup discussion a year later showed that the new organization was functioning very well and that both management and employees were pleased with the changes.

Part of the acceptance of the change in organization might well be due to the increased satisfaction with the new activities sponsored by the Club. The survey verified what the consultants had been told in their informal interviews, namely that the attendance at the sponsored activities had dropped off consistently over the past few years, and that new and different activities were desired. No activity had been attended by over 14% of the sample, and most had been attended by less than 10%. Based on these results, the newly appointed board of the Bank Club set up a structure that had persons responsible for the various types of activities, such as a sports coordinator, a trip coordinator, a discount buying coordinator, etc.

Additional questions were asked as to preferences for activities for smaller work units, such as divisions, to which 33 percent said yes, 12 percent said no, and 55 percent said they wanted both. These percentages showed a slight tendency for the lower and middle grade levels to want more bank-wide activities; probably they wanted an opportunity to see upper level persons they would not otherwise meet.

Questions as to preferred locations for activities were asked, as might be expected, there were fewer of the upper level employees who liked the activities in the central city.

It is interesting to note that all levels of the Bank wanted to participate in group rates for ski trips, with the percentages only varying from 34 percent to 38 percent. This did not hold true for some of the other activities. This data, and other similar items, has been used by the new organization to plan activities that satisfy all levels of the bank's work force.

#### Conclusion

This study nicely illustrates an effective methodology for implementing changes in the structure of an organization. At each state of the intervention effort, care was taken to involve the employees who would be affected by the change, as well as elicit direct support from top management. The use of survey techniques to develop and formulate the structure of the proposed changes led to an implementation effort that was met with unequivocal acceptance and support of the project by all persons involved.

Although formal follow-up measures of satisfaction with the intervention were not made, it is hypothesized that the intervention will unify the Bank Club, as well as better satisfy the recreational needs of the employees. It is hoped that the results of the effort will increase the employees' satisfaction with the Bank Club, which could lead the employees to reward management with higher morale, lower employee turnover, and a stronger commitment to the organization.

#### References

- Coch and French, Overcoming resistance to change. Human Relations, 1948, 1, 512-523.
- Zaltman, Duncan, Halbrick, Innovations in Organizations, 1973, 85-103.