

**A study on the effects of change on employees working within an
Irish Financial Institution.**

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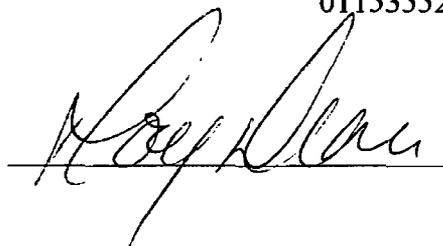
April 2008

DECLARATION

I Mary Dunne hereby certify that this dissertation is my own work and that the information contained in this submission is information pertaining to research I conducted for this dissertation. This work has not been submitted for any other awards. All information other than my own contribution has been fully referenced and is listed in the relevant bibliography section at the rear of the dissertation.

Mary Dunne

01153552

A handwritten signature in black ink, appearing to read 'Mary Dunne', is written over a horizontal line.

ABSTRACT

This dissertation answers the following question, the effects of change on employee's working within an Irish Financial Institution. Using the literature on change management and questionnaires answered by manager's and employee's working within a popular Irish Financial Institution. I was able to get a clear picture and understand how change effects employee's. Throughout this research I never expected to reach the following conclusion.. I was able to conclude that change does affect employee's but not always in a negative way. Employee's working within this Irish Financial Institution understand and acknowledge that change is a constant. From the findings the employee's of this organisation are able to embrace change. They expect change to happen thus making the preparation to process the change easier to accept, which ultimately allows them to implement the change with little or no disruption. This method of accepting change helps this organisation in relation to a competitive advantage over their competitors.

This Irish Financial Institution adheres to best practice methods for managing change whether this is intentionally or unintentionally remains unanswered and is out of the scope of this research.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank one important person without their help and expertise this dissertation could not have been possible.

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CHAPTER 1

INTRODUCTION

1.1. Introduction

This research project topic was chosen because of the rapid and constant change Financial Institutions are enduring on an ongoing basis. In light of this, I wanted to see what effects this has on employee's working within a Financial Institution in Ireland. This dissertation hopes to answer that question.

1.2. Motivations for this study

Change is a common occurrence in our modern working lives. It would be interesting to see how change affects employees working within an Irish Financial Institution in light of such enormous competition, not only from domestic Institutions but also foreign Institutions looking for some market share. Technologies also are taking huge part in how all Financial Institution compete. For these reasons I have chosen to study the effects of change on employees working within an Irish Financial Institution. Since I had access and knowledge to one of the leading players in the market I feel this would be interesting.

1.3. Broad outline for the Study

This dissertation aims to answer the following question ‘the effects of change on employees working within an Irish Financial Institution.

The structure of the dissertation is as follows: Chapter two, the company background this gives a detailed look at the company’s background and how change can be linked to competitive advantage. Chapter three, the literature review. This explains the history of change management and how it evolves, it then explains the effects of change on employees and how communications, change agents and leadership are important in the change process, it finishes with best practice for managing change.

Chapter four discusses the methodology used in this study and Chapter five analyses the data collected from the questionnaires, which were administered to management and employee’s working within a section of Group Payments. Finally, Chapter 6 finishes with a couple of recommendations and a conclusion.

1.4. Brief overview of findings

During this study I researched the literature on change management and conducted two questionnaires one for managers and one for employees. The aim of this was to answer the following question 'the effects of change on employees working within an Irish Financial Institution. The findings concluded that change does not have a negative effect on the majority of managers and employees. The results are positive and the perception given is change is an ongoing feature, which is accepted by employees, which helps to keep resistance at bay. This can be used as a competitive advantage over their competitors.

CHAPTER 2

COMPANY BACKGROUND

2.1 Irish Financial Institution

This particular Irish Financial Institution first began trading in June 1783. It has grown and grown since then. From here on in this Irish Financial Institution will be referred to as ‘the Group.’ The capital the Group had at its disposal at that time was the equivalent of “Euro 761,842.84.”(BOI Intranet, 2008) This was extraordinary money at that time.

One of the major roles for the Group, which it held until the 1970s, was, it acted as Government Banker. This job included handling receipts and payment for the government. It also issued Government loans and lent money directly to the Government.

The Group today 225 years later is still a major player in Ireland. The Group is currently the second largest bank in Ireland and strives to become number one in their chosen divisions. They have come along way from their first branch in 1783.

Today with over 16,000 employees and a head office in Dublin, the Group is a diversified financial service company with operations extending geographically through Ireland and the United Kingdom. The Group also operates in Germany, Australia, Canada, Japan and more recently the US through its Capital Markets division.

The Group Structure comprises of seven key divisions.

1. Retail Financial Service Ireland
2. UK Financial Services
3. Capital Markets
4. Group Manufacturing
5. Group Finance
6. Group Risk
7. Group HR.

Under each division there are numerous different sections.

For the purpose of this dissertation I am going to concentrate on the division of Group Manufacturing, but more importantly the section Group Payments. This is the section in which my research is based.

2.2 Division Group Manufacturing

The Group Manufacturing Division was established to support the achievements of the Groups mission and vision. There are circa 4,800 permanent staff working in the division, which comprises of eight units. The primary objectives of Group Manufacturing are to provide the following, in a cost effective manner, with continuous improvement in productivity.

“They provide exceptional service driven by end-customer exceptions. Ensure a rapid growing revenue stream and all the while keep costs down.” (BOI, Intranet, 2008)

Group Manufacturing has seven sections working under that heading. One important to this dissertation is Business Electronic and Payment services (BePS).

BePS is responsible for all 'e' (Electronic) payment services and processing in the Group. These 'e' services include Business Online, EFT, CAP's and SWIFT. Every day 30k business customer log on to the 'e' services and BePS processes in excess of 26 billion euro in payments daily. (BOI, Intranet, 2008)

Under the BePS section is where Group Payments lie. This is the section I am basing my research on as stated earlier. I am familiar with the people, the processes and the on going effort to ensure the goals and objectives are achieved or exceeded on a daily basis.

It is phenomenal the rate of change which happens within this section. These sections along with many sections within the group are experiencing on going change on a regular basis. There is a big emphasis's on keeping employees engaged and happy during this process.

Since negative change can disrupt and rot away at any organisation, it is best to keep employees, which are the core to any organisation at the forefront and include them in the change process.

One of the more group wide initiatives to do this is through Employee Engagement. I will discuss this in detail later on.

2.3 Section Group Payments

Group payments provide a range of payment related services to all customer segments of the Group and to external customers also. Some of their customers include Consumers, Small and Medium sized Enterprises, Corporate and Multinationals, they all avail of the Groups payment services ranging from the use of cash, cheques, cards, ATMs and Electronic 'e' payment services.

Group Payments operate from Dublin, Belfast and Birmingham.

Group Payments are expanding and consolidating all payment services into one center of excellent. This is a huge operation to consolidate all payment services, which is still under way and has made immense progress since it began in January 2006.

Group Payments are now responsible for in excess of 850 staff, which increased from a previous 150 staff during the period from 2006 to 2007.

This amount of change and disruption to work practices causes concerns among employees and if not managed properly it could damage the organisation. But all in all group payments are making extremely good progress.

Group Payments has a number of work strategies currently in progress, to alleviate the burden of change on employees, one which relates to this dissertation is their objective to ensure Group Payments is a 'Great Place to Work' while enduring on going change. They hope to achieve this by "*sustaining high levels of Employee Engagement through leadership which motivates excites and achieves buy in to Group Payments and Manufacturing strategies.*" (Wyatt T, 2007). As Tony states Group payments needs dedicated employees for the Group to exceed in being the number one bank in its chosen field.

Even in the face of ongoing change the Group have kept emphasis on employees and their level of engagement as the group feels this is the best way to keep on track to achieving their goals and objectives.

2.4 Vision and Mission Strategies

As with all large organisations there will be numerous vision and mission statements. One major problem, which arises often, is the translation and meaning of the mission or vision statement. It loses meaning as it is passed down from the hierarchy if not understood properly.

The main objective is to keep everybody informed and ensure every person can fully understand the purpose and meaning of these important statements.

Firstly I want to set out the difference between a vision and a mission statement.

Vision statements are design oriented while mission statements are execution oriented. *“The vision is the bigger picture and future oriented while the mission is more immediately focused on the present.”* (Myatt, 2007). Both are important to get a full picture of where the organisation wants to go and how it is going to achieve this.

The Group Mission statement is *“to make more possible.”* There vision statement is *“to be the number one bank in Ireland with dynamic businesses growing internationally.”* (BOI, Intranet, 2008) This filters down to Group Manufacturing ensuring their strategy fits in with the Groups vision and mission statement. The purpose of this is to achieve synergy.

Group Manufacturing Mission statement is *“Deliver excellent service and incremental revenue in a cost effective and scalable manner. There vision reads “to be a major source of competitive advantage for the Group.”* (BOI, Intranet, 2008) Then again Group Payments makes their strategic alignment to fit in with Group Manufacturing vision and mission.

Group Payments mission statement reads *“We exist to make more possible through how we move money for our customers.”*

The vision statement reads *“by 2012 we will be the no. 1 payment bank in Ireland and be a leader in our chosen customer segments internationally.”* (BOI, Intranet, 2008)

This process of adapting the overall mission and vision to suit your division needs helps incrementally achieve the desired direction for the Group as a whole. The Group need to keep track to make sure all divisions are achieving their goals. This process is a very important part of how change is implemented and ultimately how change affects individuals within the organisation. You cannot just put great visions or missions down on paper and leave it at that. This should be used as a blue print. It also guides the employees in the direction the organisation desires.

For this to work you need to communicate and lead the change for the outcome to be as expected. This is the starting point to the future direction the organisation wants to achieve.

On an individual basis change affects employees in different ways, but collectively change needs to be managed also. Change management is about managing the people side of change and keeping them engaged throughout the process. A Group wide initiative was initiated approximately five years ago. It has gone from strength to strength in recent years. It is called Employee Engagement.

2.5 Employee Engagement

The purpose of Employee Engagement is to ensure staffs are engaged. It facilitates employees to make an impact on their working environment. *“Engaged employees enable your organisation to excel and gain competitive advantage.”* (European Motivation Index, 2008). There are a number of benefits with having Employee Engagement Surveys. It facilitates communication among staff and management. With communication it helps identify the problem areas within a section. Employee’s then have an opportunity to improve their working environment.

It also allows the organisation to benchmark itself against all divisions within the organisation, which helps track, their progress over time. It enables the organisation to learn from other parts of the organisation, which are achieving the best results.

The overall outcome is happier employees, which ultimately leads to satisfied customers and a better performance by the group as a whole. Since the Group want to be the leader within its chosen field they needs engaged employees to achieve this goal. The results speak for themselves, the overall Group has achieved a jump from 3.05% to a result this year of 4.16% the maximum is 5%. (Gallup Survey Results, cited on BOI, Intranet, 2008) These are great results and prove this is working. These results imply employees are happy working for the Group.

2.6 Change & Competitive Advantage

Companies working within an industry like the Banking sector need to be able to adapt to change with little or no fuss if they want to stay competitive. Change could be environmental and not in their control or change could be changing their practices and price models to compete with others in the industry. The goal is to use adapting quickly to change as a competitive advantage over your competitors.

The Banking industry was not always as volatile and cutthroat as it is today.

Previously there were always two big players, which held much of the market share within Ireland. These banks were set in their ways and comfortably controlled the market between themselves.

This all changed when branches of foreign banks imploded onto the Irish Market demanding their share of the market. This shook up the industry and changed how Irish banks behaved in the market place. The customers are the ones who gained from all this movement as it changed how banks conducted business. These banks were forced to adapt to suit their customers needs, or the customers would switch banks, which was made easier now.

This change affected the Group no differently. The Group had to adopt and compete to retain its market share.

The Group has retained their position as second largest bank in Ireland and is striving to be number one. One of the major factors, which helped the Group survive, was to change the culture of the organisation to be pro active and embrace change.

This has rubbed off on the majority of staff working with Group Payments as the results from my survey confirms. (See chapter 5 for Interpretation of Results)

2.7. Group Manufacturing, the Future

According to Tony Wyatt, Head of Group Manufacturing. The future for Group Manufacturing is turning it around from a cost center to a profit making division for the Group. This is what Group Manufacturing is working towards. Group Manufacturing has expanded throughout the last two years from 150 staff to circa 850 staff. The Group is consolidating all relevant business units in an effort to increase knowledge and reduce costs through the whole division.

Group Payments has reduced their individual error rates from 1% in 2006 to .5% 2007. (Payments stats, 2008) This is a great achievement and well acknowledged throughout the whole team.

Group Payments are improving their technology to facilitate this. This means having more payments processed electronically and with less human interaction. This hopefully should reduce overall costs further.

Group Payments are also including employees in the decision making process which directly affecting their jobs. This approach helps see things from a different angel, which management might not have covered and it helps, creates job satisfaction, which reduces errors thus keeping employees contented.

The future is bright for Group Manufacturing once it keeps on track of their goals and keep focused on the bigger picture.

CHAPTER 3

LITERATURE REVIEW

3.1. Introduction

The research on Change Management has evolved over the years. As organisations are forced to change to keep competitive in today's society researchers are trying to adapt new methods to integrate change as smoothly as possible.

Change is a constant and management are interested in how to implement change and keep the organisation running simultaneous. Due to increasing competition and cutthroat environments, organisations cannot afford to stop to implement change and spend all their resources getting it right. There needs to be a happy medium. According to (Jooss, R, 2007, P13, Online), "*If you're not changing you're not trying*". Most organisations need to do more than just try; most organisations strive to be the best. So if change is a constant, then change needs to be understood and appreciated by management.

It sounds so easy to change a policy a procedure or routine, but most well intentioned organisations fail. Why?

Failures can be traced to a number of factors, resistance by organisations, poor implementation, and lack of knowledge regarding important aspects of change management. Most if not all of these can be put down to poor management of the change process. The understanding of change management is vital for success.

3.2. History

Change Management can be defined as *“the process, tools and techniques used to manage the people-side of business change to achieve the required business outcome, and to realize that business change effectively with the social infrastructure of the workplace.”* (Hiat & Creasey, 2008 ,Online)

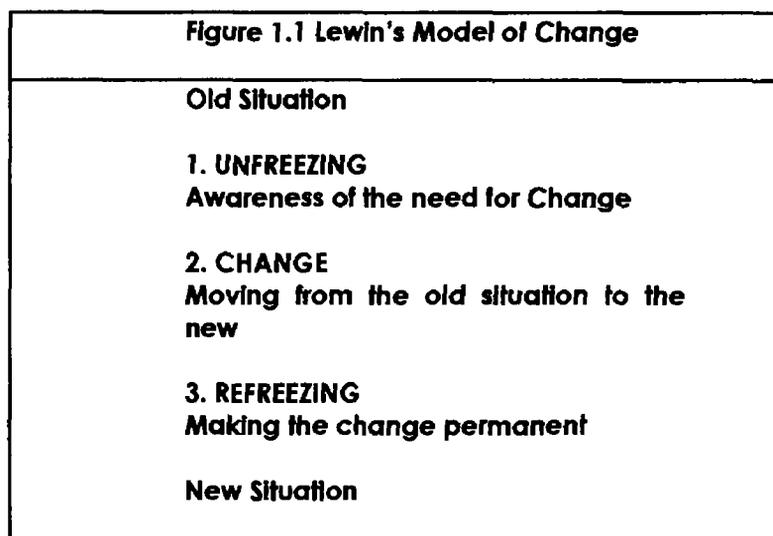
Change Management has evolved over the years. It is a mix of different thoughts merged together to make a discipline to help organisations cope with change.

“Change Management is the application of many different ideas from the engineering, business and psychology fields.” (Hiat, & Creasey, 2008 Online).

It is a convergence of two fields of thought according to (Hiatt & Creasey, 2008 Online), “it contains an engineer’s approach to improving business performance and a psychologist approach to managing the human-side of change.”

Together this is Change Management, as we know it today. Both sides of this convergence must be addressed for successful change. Lewin (1951) argued that efforts to bring about change should be viewed as a multi-stage process, rather than merely one step. Lewin comprised a three-stage model for change.

See figure 1.1 cited in (Tiernan, Morley, et, al, 1996, P320)



Schein (1987) added to this approach. Schein took a more human approach to Lewin's model of change. Schein cited in (Siegal, Church, et al, 1996, Online) says "*unfreezing is the process of creating motivation and readiness for change.*" As you can see he has adopted this to incorporate the human aspect of the change process. Schein then also uses a second stage, which he also calls the change stage.

Schein cited in (Siegal, Church, et al, 1996 Online) states "*this process of helping people to see things differently and react differently in the future.*" This is as Lewin says moving from the old situation to the new, but the difference here is Schein realises that the human factor needs to be addressed and informed. Schein has unlocked one of the key aspects of change management. Schein then also used refreezing but as appose to Lewin he suggests to "*integrating the change process through personal refreezing.*" (Siegal, Church, et al, 1996, Online). What Schein meant was once everybody was comfortable with the new way of doing things only then can you refreeze things. Otherwise you will end up with most individuals reverting back to their old ways. This would just defeat the purpose. As you can see Lewin's approach to change management is systematic and follows a definite structure.

Schein tried to build on Lewin's approach and included a more human side to change management but what they are both missing was change is not always a systematic approach.

With this in mind Beckhard and Harris (1987) main concern were the transition stages in the change phase. They recommend creating a Transition Management Team (TMT) to help with the process. Beckhard and Harris (1987) main point was moving from its present state to its desired future state. They suggest creating a TMT team to assist in this transition.

The objective of the TMT is to be "*responsible for managing the emotional connections that are essential for the successful completion of any transformation*" (Kanter, 1983, cited in Siegal, Church, et al, 1996 Online). For this to succeed the TMT need to communicate the need for the change to everybody in the organisation. The TMT need to make sure the message is strong and clear. The TMT include according to Beckhard and Harris cited in (Siegal, Church, et al, 1996 Online) "*leaders who are respected by the organisation and have wisdom, objectivity and effective interpersonal skills.*" These leaders need to be at a level in the organisation, which have power and influence to be heard and listened to.

This is all well and good but so far nobody has mentioned the individual. According to Jick (1990) and Bridges (1986) “*they focus on the psychological adjustment that the individual members of an organisation must make during change.*” (Cited in Siegal, Church, et al, 1996 Online). This is a fundamental part of the change process as an organisation is made up of individuals with different styles and opinions and outlooks on life. This is based on Lewin’s model and Bridges adopts it to suit the individual.

Bridges also has three stages similar to Lewin but the main difference is that Bridges states you cannot complete the last stage unless the individuals lets go of the previous two stages and letting go of the old ways. Only then can you go on to a new beginning.

3.3. Evolution of Change Management

Today’s working world has evolved greatly over the years and with this, so has the literature for change management. Lewin’s change model only works for the more traditional organisations. It cannot cope with the more turbulent, flexible and uncertainty, which affects most modern organisations today. Lewin and all the work based on his literature apply to stable organisations, which need to deal with change in a systemic way.

Organisations today need more than a concrete plan they need flexibility within their approaches to managing change in their organisations.

According to (Orlikowski, W & Hofman, J, 1997) they suggest, *“using an improvisational model for managing technological change.”* Their improvisational change model *“recognises three different types of change anticipated, emergent and opportunity based changed.”* (Orlikowski, W & Hofman, J, 1997)

This change model differs from Lewin 1951, Schein 1987, Beckhard & Harris 1987, Bridges 1986 and Jick 1990 because the improvisational model for change states that planned change should only be a guide not a blue print set in stone. Everything should not collapse if you cannot stick to your original plan. This model states there is room to plan, also there is room to change your plan if new situations come to light you did not plan for, also as you learn and grow so does your change plan. The down side to this model is there is no mention of how to implement the change in organisations. This model only states its ok to deviate from the change model and adjust the change model to your organisation. But one main questions remains, how?

“Ultimately, the goal of change is to improve the organization by altering how work is done.” (Creasey, 2008 Online) The key here is how. There is an array of literature on change management concepts but managers and anybody implementing change need to know how to implement change.

Firstly change needs to be broken down into elements. Change inevitably results in one or more of the following elements being altered. Processes, systems, organization structure or job roles.

The ‘how’ is where the hard work starts. The reasons behind this statement are all individuals are different and all respond in different ways. The impact of the change will affect some more than others. This is why there are certain tools to help with the process. According to (Jooss, 2007, P 13 Online) *“there are five behaviors that enhance the ability to lead and manage change effectively.”* (Jooss, 2007) explains these five behaviors. Firstly he states communication is key, then implement what you communicated, employees want to see your actions, be realistic about your change and set achievable milestones, don’t underestimate the work involved. The final one he states is don’t lose focus and keep the change fresh in employee’s head.

This all seems like common sense but the number of failures and discontented employees is huge when change is being implemented. In our busy work life these five steps can seem trivial but these are the key to happy and contented employees. There are variations on these five behaviors like Booz, Allen & Hamilton have their version, but the concepts are the same.

For the purpose of this literature review in the subsequent sections I am going to discuss the effects of change on employees, the importance of communication in the change process, the importance of change agents and leadership. There is a huge field of research conducted on Change Management but as stated for the purpose of this literature review I am only going to review the above.

3.4. Effects of Change on Employees

Firstly before we head into the literature about Change and the effects on employees. There are all different levels of change. This will affect how employees react. Not many people like change, most are afraid of the uncertainty which surrounds change. In today's society with so many stories about job losses and globalisation and the casualties it leaves in its wake. This put fear into people. If you can't keep yourself employable by educating yourself and learning new skills you are leaving yourself open.

This could lead to your redundancy. It is the harsh reality we live in today. For this reason change is sometimes is not a welcoming word in organisations today. According to (Diefenbach, 2007) “*you need to make people realize there is no real choice there is a need for change.*” Convincing employees is probably one of the biggest obstructions your company will face, because if employees will not change their ways this could mean a financial loss for the organisation.

Another important point is “*the people in the organization must be genuinely afraid for its survival if they are to support radical change.*” (Van Loon, 2001, P297 cited in Diefenbach, 2007) My point from all of this is change has huge affects on employees of an organisation and if you want your organisation to survive you need to mange this change affectively.

The whole objective of the change management process is to achieve a “‘win-win’ situation.” (Kotter, 1996, cited in Fedor, Herold, 2004). This is where both the organisation and the employees are happy with the change being implemented. How is this achieved, this is the topic of much research. According to Riley-Uday individuals react differently to change.

(Riley-Uday, 2004) states that if you “*cluster normal human behavior into categories.*” This can provide a better understanding of how individuals will react to change thus the change agent or manager can adapt their findings and use it to communicate the change differently to each group in the correspondent categories. This approach has flaws, as you cannot stereotype all individuals into four categories. Human behavior is more complex than this. But the underlying principle is true. You need to treat employees differently when implementing change. This is one of the main reasons why employees are discontented and in turn less committed to the organisation.

Riley explains there are four major interpersonal styles Dominant, Influencer, Steady and Conscientious.

Riley states you can put individuals into one of the four categories and this will help you in your approach to managing the effects of change. For the Change Agent or the manager they need to first understand themselves the human response to change. When they have mastered this they can then best manage their own employee's responses to change.

Robert Tannenbaum & Ribert W. Hanna (cited in Riley-Uday, 2004) put employee's actions into a three-stage model, looks very similar to Lewin's three-stage model only adapted to include the human element. It states people 'hold on' to the old ways of doing their daily tasks and if the organisation plans correctly, executes the plan effectively and communicate throughout the whole process employees will 'let go' of the old way and the new way will become like the old way, if this is not achieved the employees could easily revert back to the old way, thus if you reach the 'moving on' phase you have successfully introduced change with little of no negative interference. If you adapt an approach like this which causes little negative feedback the organisation becomes better equipped and more effective which could be used as a competitive advantage.

(Gmehlin, cited in Bell 2006) states "*there are four common yet distinct behavioral reactions to change.*" This differs from Riley-Uday approach but the outcome is still the same. One of the main differences is Gmehlin, cited in Bell 2006 groups' individuals by reaction to change not by the style of the individuals.

This seems a better approach and easier for change agents and managers to comprehend.

(Gmehlin, cited in Bell 2006) describes people as people who thrive on change, people who are not bothered by change, people who resist change and need time to prepare for change or people who are concerned with the effects of change. All these different types of people have different qualities, which is what Riley-Uday paper was explaining. The underlying point is treating all individuals differently in relation to change. Some individuals need time to adjust, some individuals feed on change and some are going to be fearful of their future. Once the concepts are understood and put into practice, change will not be an uphill battle between the change agents, the organisation and the employees.

There is one area which research was not as dense is the area of the effects change has on the manager of an organisation and how their actions can influence or discourage employees.

Change has effects on managers also not only as employees themselves but also the added stress of managing employees while all the above are going through a change process. According to (Bacal, 2007), managers can response to change in different ways just like employees can.

Managers can either avoid the change process. (Bacal, 2007) explains that the “*manager hides for the change... treating things as business as usual.*” This can cause deterioration of morale and productivity. Also the manager will lose credibility. Employees need strong guidance and leadership throughout the change process. Another common problem for managers is Denial as (Bacal, 2007) states. This type of manager has no time for the human side of change management. This manager according to (Bacal, 2007) states “*managers refuse to understand what the big deal is.*” Open honest communication is not welcome here. These types of managers do not want to understand the change process, as these types of managers cannot come to terms with change themselves.

This is a bad combination and organisations need strong leaders and change agents to communicate change and understand the needs and differences of employees at the heart of the change itself. If organisations do this they are one step ahead

3.5. Communications & Change

If implementing change correctly means anything to organisations then they must understand and allow time for individuals to comprehend and understand the change itself. How this is done is through communications.

Communication in its simplest form is to create understanding. This is a crucial point in the change process. Change should not be implemented in any organisation without communications being at the forefront. This stops speculation and rumors.

“One of the major mistakes of change leaders, they believe others understand the issues, feel the need to change, and see the new direction as clearly as they do.”(Jones, Aguirre & Calderone, P3, 2004)

Most of the literature reviewed stated that communication was important, but some of the literature was more focused on a communication strategy one author went as far as to state *“if there is a single rule of communication for leaders, it is this: when you are so sick of talking about something that you can hardly stand it, your message is finally starting to get through.”* (Duck P61, 1998, cited in Lewis, et al, 2006). What organisations’ need are a few basic communication principals, which can be applied to all situations. According to (Klein, 1996) these are as simple as keeping the message retained in employees mind. This is better if you use more than one type of media for this. Face to face communication is more effective as employees are able to see emotion and this is a good way of listening to feedback and encouraging questions.

Organisations sometimes forget about the line of authority while communicating. “*Quite clearly communications from those in authority carry both practical and symbolic weight.*” (Klein et al, 1974, cited in Klein 1996). This is essential, as employees want to see what the higher hierarchy has to say.

You also need to keep the supervisor fully involved, as the supervisor will have direct interaction with the employees who will be affected by the change being implemented.

They should be as accurate as possible when relaying the message to employees. (Klein, 1996) also explains the importance of using opinion leaders as these types of individuals can “*impact others’ opinions and attitudes.*” If individuals are directly affected by the change they are more prepared to listen and comprehend the change being sought.

Klein related them to Lewin’s change model. Klein states that each phase in the change model needs different communication channels and patterns to match the correspondent stage. But according to (Larkin & Larkin, 1994 cited in Lewis, et al, 2006) they believe that organisations need to be more strategic and put most emphasis on line supervisor’s face-to-face communication.

(Larkin & Larkin, 1994 cited in Lewis, et al, 2006) went as far as to say, *“If it’s not face-to-face, it’s not communication.”* Most of the other literature focused on guidelines for good participative communication, such as make it easy for others to speak (Watkins & Mohr, 2001, cited in Lewis, et al, 2006) also encourage every perspective to be heard-even critiques (Collins, 2001; Heller, 1998, cited in Lewis, et al, 2006). This makes better sense as the more channels for communicating helps individuals to speak up.

Employees should be able to voice their opinions and views and management should be willing to answer and understand their fears. Organisations need to progress, grow and make profit, if you get employees on board it’s half the battle. The earlier research conducted in this field never included such a big emphasis on communications and now researchers are viewing communications as a major part in the change process. (Larkin & Larkin, 1994, cited in Lewis, et al, 2006) agrees with Klein that line supervisors are absolutely necessary to the change process. They both agree that they are influential with frontline employees. One main reoccurring trend through all the literature states that a clearly understood and perceived vision is more likely to engender favorable reaction among employees.

According to (Brenner, 2008) *to create lasting organizational change, you must develop a vision of a better work life . “A vision that people can really believe in.”* But according to (Lewis, et al, 2006) the scholarly literature has not supported this statement.

As I have said previously communication is key to the change process but good communications need strong and confident leaders or change agents to convey the message and promote the change process being sought.

3.6. Change Agents, Leadership & Change

There is a strong correlation between communications, leadership and the change process. According to (Bacal 2007) *“Leadership has as its corner stone, the ability to communicate.”* Communication is a key tool in helping change agents convey the change message to employees and help get from the current state to the future state with little resistance from employees.

The change agent is an important component to any management strategy today. As change is a constant the role of the change agent is a full time function in any organisation today.

“Change agents are leaders who cut across the organization and its business units without regard to traditional hierarchy.” (Philippe et, al, 2007). There is a clear inter linkage between leadership and the role of a change agent. Recent literature on change agents included some piece on leadership as a key to the role of the change agent. *“Leadership is the process of influencing others towards achieving some kind of desired outcome.”* (De Jong & Den Hartog, 2007) The change agent needs to be able to lead and deal with confrontation, which may arise from resistance from employees. Change agent also requires other qualities from them to really do their job correctly.

(Buchanan & Boddy, 1992 cited in Saka, 2003) *“list competencies of effective change agents as clarity of specifying goals, team building activities, communication skills, negotiation skills and influencing skills to gain commitment to goals.”* For this reason change agents need to be appointed throughout all levels in the organisation. Change agent needs to be respected and trusted for employees to want to listen and follow.

Some of the Literature on change agents had different theories on how change agents conduct change in organisations.

One article described change agents as either being 'recipe-givers' which (Saka, 2003) states is "*who ascribe to the large consulting firm model of change*" or model-builders that (Saka, 2003) describes, "*as supporting the systemic-multivariate view of organisational change.*" What this means is recipe givers are using universal methods of change without regard for organisation size or cultural. Where model builders are using no set method for change. (Saka, 2003) states "*that its how managers themselves understand the meaning and priority of change management, and the ways in which they explain the characteristic that facilitate or inhibit the process.*" Manager's influence the employee's choices by convey their views and worries when change is being implemented.

"Managers often hold views and visions that conflicts with established mental models hence fail to be put into practice."

(Saka, 2003) There is not much literature on the influences of manager's views on this process.

All the other literature I researched described the change agent's role and who could be change agents and the importance of their role. On other article said that change agents should form a team and if they were carefully constructed the organisation would reap the benefits.

The article went on to explain who should be on the team and what qualities this employees need to have. All of the research concluded that it is important to have employees whether they are as senior as the director or either direct line management working as change agents. According to one article an outside team was commissioned to carry out a change process. Eventually employees rejected it because *“the change agents could not establish themselves as a credible force in the organisation”* (Philippe, 2007)

If you are constructing change in an organisation be mindful of the cultural and the change being implemented. Once this is known construct your plan to enlist change agents to help with the process.

The tools they use are communications, their expertise and leadership.

There is an abundance of research about the best way to conduct change in an organisation. But the common problem associated with best practice is, it's only there as a blue print, the person initiating the change process is the best person who best knows the organisation they should know what is best and they should only use best practice as a guide.

3.7. Best Practice for Managing Change

According to (Barker, 1998) *“Successful change is arguably dependent upon the management mindset, vision, and knowledge of best practice.”*

According to the literature best practice is not utilized to the best of its ability. *“Best practice means finding and using the best ways of working to achieve your business objectives.” (Best practice, 2008)*

This sounds so simple but according to the research this is proving harder than it sounds. According to one author this is mainly down to managers not changing their mindset to accommodate change. (Barker, 1998) states *“mangers may not be capable of mentally absorbing the mass change programme required.”*

This is problematic if the manager is trying to promote the change to employees. Even if employees embrace the change, eventually the organisation will revert back to the old ways if management can't embrace the change let alone believe in it.

Another problem is managers not having a clear vision; the whole organisation needs to know where it is going and how it is going to get there. Each employee will have their own view of the vision, as it will impact all employees differently.

This is where strong change agents come into play and the good use of communications to help overcome the negative affects of change on employees.

There are numerous articles written about best practice tools, methods and best practice in general. All the articles state it is crucial for management to fully understand best practice and make it work to suit their organisation.

Benchmarking is a key tool to all organisations. "*Benchmarking has been use to radically improve processes with astounding results.*" (Camp, 1989, Houlder 1994, cited in Clarke & Manton, 1997)

But saying this according to (Clarke & Manton, 1997) "*despite the fact that most organization today are undergoing significant change very little benchmarking of change process itself has occurred.*" This area needs further research and is out of the scope of this research paper.

All the academic research and non-academic research agreed that the goal of change management was to move from the old state to the new state with little resistance from employees and management.

They also all agreed that change management was the managing of the people side of change.

The best way to achieve the above is through best practice. But remember this is only a guide and should be used as a blue print. All organisations are different and what may suit one organisation will not necessarily suit another.

Some articles agreed that best practice includes good communication skills and the use of different means of communicating to employees. One article in particular stated only face-to-face communications mattered.

(Larkin & Larkin, 1994 cited in Lewis, et al, 2006) when as far as to say, *“If it’s not face-to-face, it’s not communication.* This is the only article, which stated this. The other articles all stated that a variety of communications channels were the key. As all employees’ respond differently to different types of media.

Another best practice method stated was creating a compelling vision. Most articles researched agreed on this. Another common trend was getting people involved, as employees don’t resist their own ideas. You also need to walk the talk and lead by example.

Researchers also stated to keep employees interested show results early on.

The change agent was not included in the research of (*Best practice, 2008, Barker, 1998 & Clarke & Manton, 1997*). They do state managers have to implement change, but they do not call them change agents. One article I researched included the importance of change agents. (Purcell, 2002) states “*that organisational needs to recognize every person as change agents.*” One article states that resistance is ok as it is a sign that change is happening. All the other articles I researched viewed resistance as manageable but to watch out for. They all agreed that is it to be expected. Some articles give a list for best practice rules to follow but all followed the same trend.

Best practice is an evolution of history and tried and tested theory of change management.

Benchmarking is a brilliant idea that seems to be underutilized so (Clarke & Manton, 1997) state. This needs to be investigated more to see if what Clarke & Manton, 1997 state is true.

From this literature review I am concentrating on the effects of change on employees within an Irish Financial Institution to see if the literature is correct in stating that employees react differently to change processes, I want to try to draw some conclusions from this research and see if there is a common trend with what best practice says and what this Financial Institution does.

CHAPTER 4

RESEARCH METHODOLOGY

4.1. Research Setting

This research will be based on questionnaires, which were given to a total of 50 employees working with this particular Financial Institution. The employees had a certain amount of time to answer and include comments if they chose to on their questionnaires. The aim of the research is to view change in the eyes of employees and managers working within this Financial Institution. Do they view change similarly or are their views on change different.

Employees and Managers had different questionnaires some of the questions related to both the Employee and the Managers. Some questions only relate to either employee or manager. Full access was granted to conduct these questionnaires from the head of Group Payments. Since this is such a large well known Irish Financial Institution with different nationalities working within I hope the findings are interesting and useful. (see Chapter 2 for the company background).

4.2. Data Collection Methods

“Data-collection techniques allow us to systematically collect information about our objects of study (people, objects, phenomena) and about the settings in which they occur.” (The International Development Research Centre).

Throughout this research project the data collection methods included primary and secondary sources. Either through the use of questionnaires aimed at different levels in the organisation to avoid concerns about validity. This should paint a clear picture and view all sides involved in the change process. I want to get an overview of how change affects employees working within this Financial Institution; hopefully the results from the questionnaires can answer this question. I also collected data from company intranet sites to achieve an accurate company background.

4.3. Primary & Secondary Sources

Primary data collection is data you collected for the sole purpose of the research project at hand. There are many forms of primary data collection. Some of the main ones include surveys, questionnaires, observation or interviews (Kane, O’Reilly -De -Brun, 2001).

For the purpose of this research project the chosen method of primary research was questionnaires.

I viewed questionnaires to be the most appropriate as it was confidential and I felt employees would be more open and honest in answering the questions. For the record this is the only questionnaire conducted for this research project thus making it a primary source of data collection.

Secondary data collection is data already collected by some other researcher and used by another researcher for the purpose of their own research. Secondary data helped immensely with this dissertation. It helped act as a starting point and define the primary research that needed to be conducted. Some of the sources of secondary data included the literature review, company intranet; previous survey results and briefings help my higher-level managers within the organisation. There are great benefits with using secondary data collection. It is cost effective as it is normally available for free; it is time effective because somebody already has completed the research. It also serves as a reference point for your research to start.

4.4. Select a Sample

For the purpose of this dissertation the sample size I deem appropriate was 50 surveys. This sample should fully reflect the findings as if group payments were surveyed as a whole. There are a little over 100 people on the group payments floor within covill house. So effectively half the group payments staffs were invited to participate in the survey.

Hopefully this will paint an accurate picture of the effects on employees working within this particular Irish Financial Institution. My survey was based on group payment staff working in the Dublin office situation in Dublin City Center so my results are limited to this particular section of staff as appose to a full picture of how group payments as a whole which is diversified across Dublin, Belfast and Birmingham.

4.5. Questionnaires

As stated previously the method chosen for the research was questionnaires. There were two types of questionnaires given.

One questionnaire was for the managers and the other was for the employees. The reasoning behind this was to element bias and get both sides of how change effectives employees and management alike. Hopefully this will give a clear picture.

The questionnaire was self administered to the 50 participants. This method was chosen to ease the time constrain.

Questionnaires was selected as the primary data collection method because questionnaires are cost effective, also they were confidential so employees could answer honestly with no repercussions.

Each questionnaire had a set number of questions and respondents have a range of options to choose from while answering each question. (See Appendix 1&2 for copies of questionnaires and cover letters)

4.6. Ethics

Before the research was even conducted I secured approval to conduct my research on this particular Irish Financial Institution.

I outlined my proposal and what I intended to collect and everything was approved. Throughout this research project I have upheld all ethics in relation to data collection and company documentation.

Respondents confidential were upheld in all completed and returned questionnaires.

4.7. Limitations

Before we move on to the implications for further study and then on to the findings section. It must be noted that there are limitations within this research.

Firstly within the questionnaires as they are only given to a number of individuals working with the section. This was for time issues and control of collection. For the whole picture these questionnaires should be given to Dublin, Belfast and Birmingham.

Also while trying to eliminate bias this fully cannot be excluded, as the type of questions I choose to ask and the interpretation of this data is going to include some bias. This should be kept to a minimum as I am aware and will try to keep neutral

4.8. Implications of further research

After stating the limitations for this research it can now be said that there is room for future study within this research topic. To reveal the full effect of how change affects employees working within this particular Financial Institution the majority of the employees working should be questioned and interviewed this should include Dublin, Belfast and Birmingham. This is out of the scope of this research.

CHAPTER 5

INTERPRETATION OF RESULTS

5.1. Introduction

This chapter focuses on the analysis and interpretation of the findings from the questionnaires, which were conducted in a particular Irish Financial Institution experiencing ongoing change. These results will enable us to understand the degree of how change affects employees working within this particular Financial Institution and whether this Financial Institution instills a cultural of best practice methods, which are outlined in the literature review. These results can also help to either agree or disagree with some of the major contributors to the literature on Change Management.

5.1. Findings from the management questionnaires

The questionnaires the management received comprises of 19 questions in total. (Appendix 1, copy of the management questionnaire)

A total of 12 managers completed the questionnaire. Included in this section is analysis for 10 out of the 19 questions asked.

Hopefully these 10 questions can answer the following question, the effects of change on employees working for this particular Irish Financial Institution. I deliberately excluded some questions on the bases that 19 would be too time consuming. I feel that with amassing the chosen 10 questions would yield the same result as the full 19 questions. Copies of the full results are available upon request

1. The mission statement was communicated clearly to me.

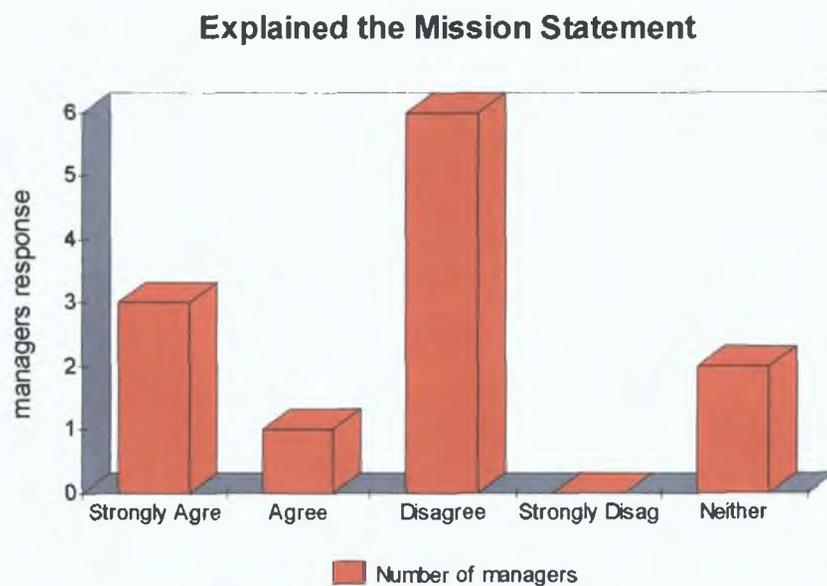


As you can see from the bar chart above that a total of 12 managers responded to the above question.

A total of 11 managers stated they either strongly agreed or agreed with the above statement. Only 1 manager disagreed with the statement.

This proves 'yes' the mission statement was communicated clearly to them. This is the key starting point to changing any strategies for an organization. This is a positive result as these results implies that manager's understand the mission statement which means they understand what the organisation is trying to achieve.. Incremental steps are the key to achieving the bigger picture and understanding why higher management is following a certain path.

2. I fully explained the Mission Statement to my direct teams.



As you can see from the bar chart above a total of 12 managers answered this question.

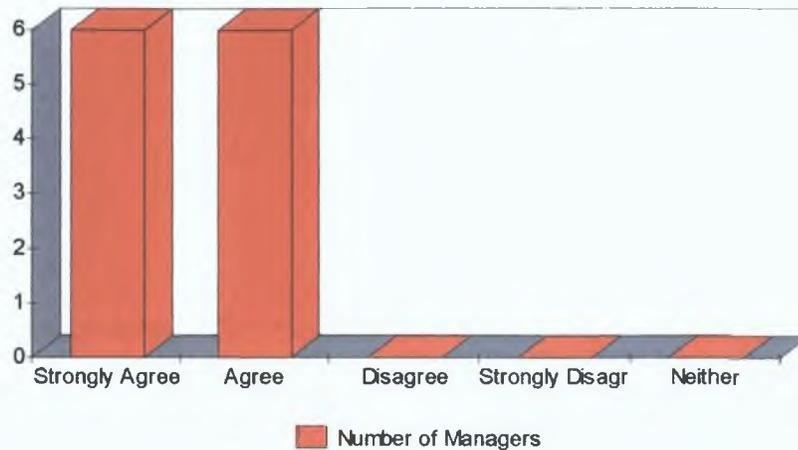
A total of 4 managers agreed that they did explain the mission statement to their direct teams. But a total of 6 managers stated they did not communicate the mission statement to their direct teams. A total of 2 managers neither agreed nor disagreed with the question.

This is a very interesting result because on one hand the manager's fully understand what is being communicated to them but not passing it on to their direct teams. If this is the case how are employees suppose to feel connected and know what they are working towards. This does not agree with best practice methods.

Rhetorically all employees should have had the new mission statement communicated directly to them by their line manager this way they would all 'sing off the same hymn sheet'. Collectively working towards the same goals.

3. Change is important in today's society.

Change is important in today's society



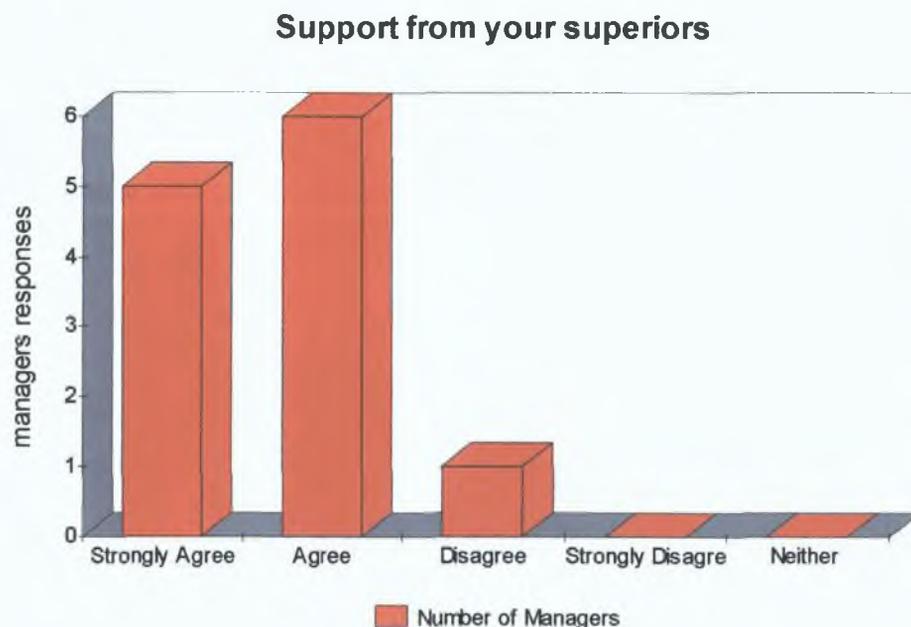
Every manager either strongly agreed or agreed that change is important in today's society. This indicates that managers understand that change needs to happen to keep competitive. This is the first step to accepting and dealing with the change process.

These results disagree with (Diefenbach, 2007) theories.

(Diefenbach, 2007) believes, convincing employees is probably one of the biggest obstructions the company will face. (Diefenbach, but if manager's, which are ultimately employees, agree that change is important in today's world. This is the first step to acceptance. Is change just another variable which employees have accepted and believe is bound to happen nowadays?

This implies that change is starting to be viewed as a good thing.

4. Do you feel you have the support of your superiors in relation to change?

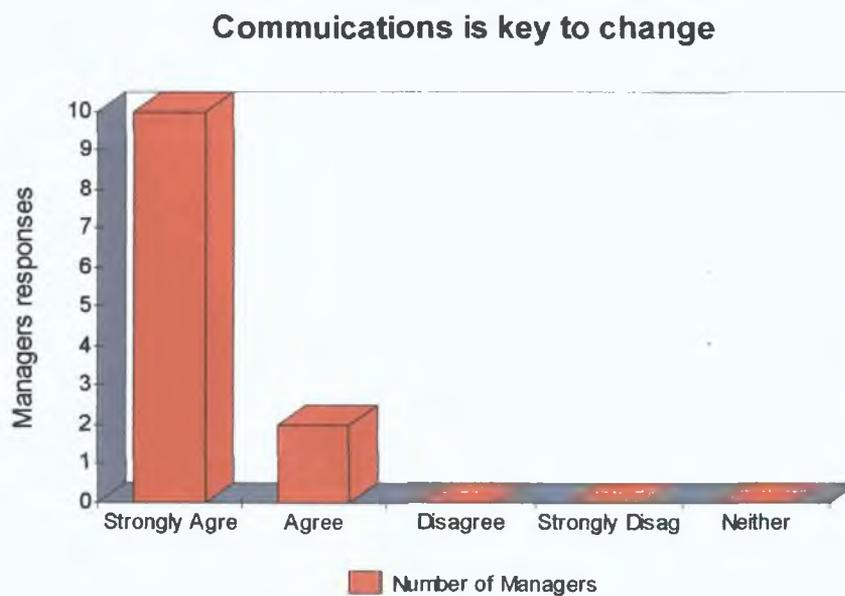


A total of 11 managers either strongly agreed or agreed that yes they have the support from their superiors. Only 1 manager stated they do not.

For change to be successful and to stop employee's reverting back to their old ways, change must be instilled from the hierarchy. According to these results this is the case and managers have the support from above. This is excellent to see and reduces pressure on line managers.

These results may imply that change is mainly successful because managers have constant support, which is in line with best practice methods.

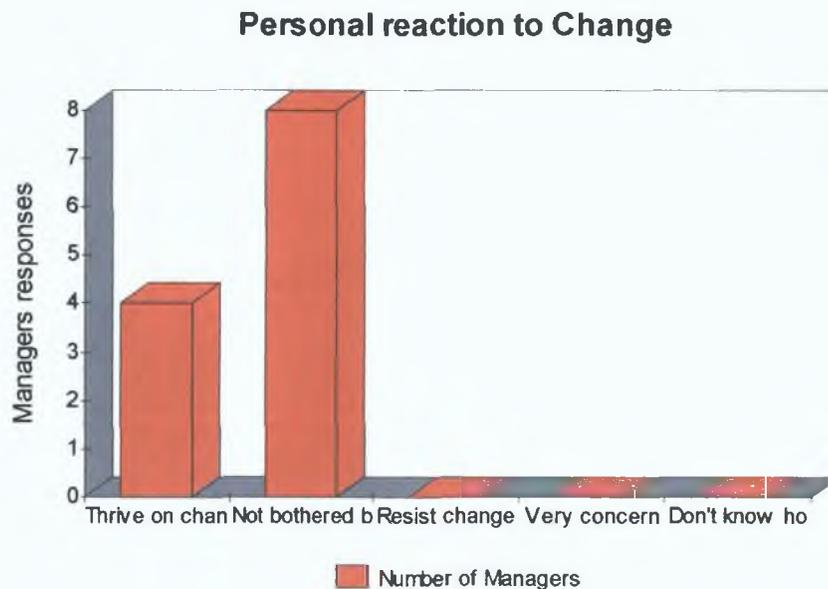
5. Communications is key to a change process



10 managers strongly agreed and 2 managers agreed that communications is key to a change process. This proves during a change process everybody agrees communication is the key to achieving smooth results when implantation changes. According to best practice this is an important point to stress. Open honest communicate is best. According to (Klein, 1996) communication is as simple as keeping the message retained in employee's minds.

According to the manager's in this Financial Institution they also believe communication is a key process to changing change. This suggests that all managers agree with one of the most important best practice methods.

6. As an employee involved in the change process how do you react.



4 out of 12 managers stated they thrive on change and 8 managers stated that they are not really bothered by change. According to (Gmehlin, cited in Bell, 2006) there are four types of employees, according to the questionnaire manager's only think they are either; employee's who thrive on change or are not bothered by change. Nobody admitted to resisting change because they need time to prepare or nobody admitted to being very concerned about the change process.

These are very interesting results as people tend to behave differently than they perceive themselves.

This is a limitation of this survey and this would warrant some observation to see what actually happens. Based on those results it could imply that employee's in this organisation are fully comfortable with change that they never need to resist change.

7. Do you think staff morale is high in your relevant section?



6 out of 12 managers agree that staff morale is high in their section and 4 managers think staff morale is not high and 1 manager strongly disagrees that staff morale is high in their section another 1 manager neither agrees nor disagrees about staff morale in their section. These are interesting findings.

Manager's perception of how they think staff morale is in their section differs greatly from the results from employee engagement survey results. Only half of the managers think staff morale is high.

Just to recap employee engagement has increased to 4.01% out of a possible 5% for the Group Payment floor over the last five years thus stating employees are happy and engaged but some managers' views are different. It will be interesting to see what employee think about their own staff morale later.

8. Do you think your direct employees would recommend this Financial Institution as a good place to work?



A total of 7 out of 12 managers think their direct employees would recommend this Financial Institution as a place to work. A total of 4 managers either disagreed or strongly disagreed and 1 manager neither agreed nor disagreed.

The majority of managers agree that yes their direct employees would recommend this as a good place to work. These results imply that the majority of manager's and employee's are relatively happy to work for this organisation.

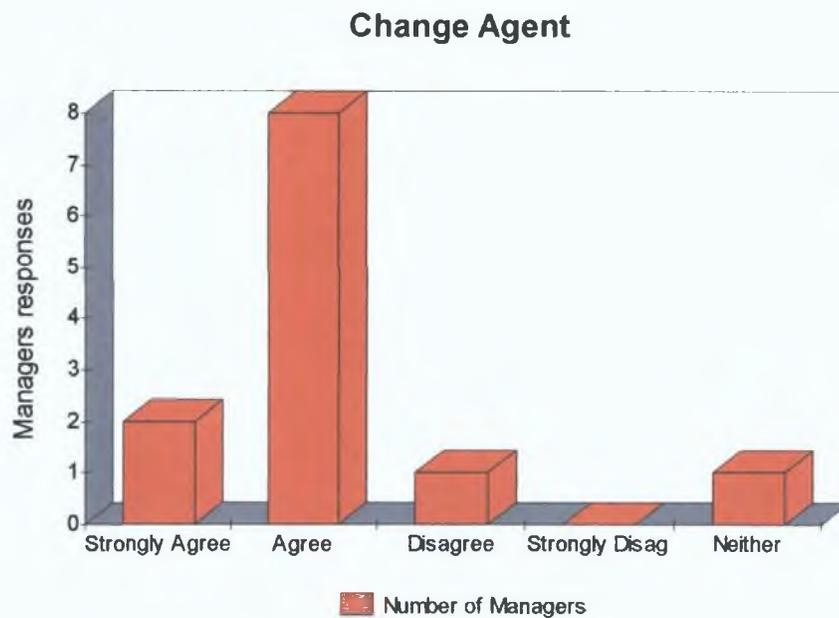
9. I would recommend this Financial Institution as a good place to work?



A total of 9 out of 12 managers would recommend this Financial Institution as a good place to work. 1 manager disagreed and 2 managers neither agreed nor disagreed that this Financial Institution would be a good place to work.

These results differ to what manager's perceptions of employees, 9 managers would recommend this place as managers thinking only 7 of their employees would. Why do managers feel employee's morale and recommendation to work here are low? This differs to the results from Employee Engagement survey results. This warrants more investigation and is out of the scope of this research paper.

10. Do you think you are a change agent?



According to the findings 10 out of 12 managers either strongly agreed or agreed that they are change agents. 1 manager disagreed and 1 neither agreed nor disagreed that they are change agents.

These results imply that the recent literature on change agent's which includes leadership as a key to the role of a change agent. All managers' are in a position of leadership and according to these results 10 out of a possible 12 believe they are change agents. This is a great result for this organisation as with leadership and acting as change agent they are more likely to "*influence other towards achieving some kind of desired outcome.*" (De Jong & Den Hartog, 2007) This is also mentioned in best practice literature, as you need strong leaders to guide the change process.

All managers understand and acknowledge what the overall vision of the Irish Financial Institution is. They understand that change is important thus accepting that change happens. They also are happy with recommending this organisation as a place to work which translates into the majority of manager's being satisfied working for this Irish Financial Institution. They also believe communications is key to the change process, but the majority of manager's failed to pass on the understanding of the mission statement to employee's, this is a contradiction within the research findings.

Managers receive support from their superiors and they state they either thrive on change or they are not really bothered by the whole change process.

These results explain why this Irish Financial Institution is number two in Ireland. Change happens constantly but it seems management just accept and agree to do what to take to ensure all employee's are on board and happy.

Manager's perception of employee's happiness is a bit of a concern. These results state they are not overly happy nor would recommend this organisation as a good place to work. This is in contradiction to Employee Engagement results.

5.2. Findings from employee's questionnaires

The questionnaires the employees received comprises of 16 questions in total (Appendix 2, copy of employee questionnaire)

A total of 19 employees completed the questionnaire.

Included in this section is analysis for 10 of the 16 questions asked.

Hopefully these 10 questions can answer the following question, the effects of change on employees working for this particular Irish Financial Institution.

I deliberately exclude some questions on the bases that 16 would be too time consuming.

I feel again that with the analysis of the chosen 10 questions this would yield the same result as the full 16 questions asked. Copies of the full results are available upon request.

1. The Mission Statement was communicated clearly to me.

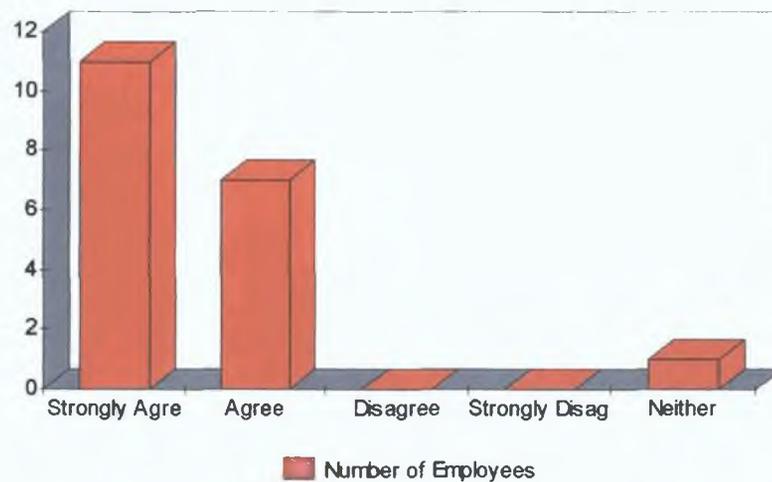


According to the employee's responses 14 out of 19 employees agreed that the mission statement was communicated clearly to them. 3 employees stated that the mission statement was not clearly communicated to them and 2 employees neither agreed nor disagreed with the statement. This concurs with what the manager's state yes everybody agreed that the mission statement was clearly communicated to him or her.

This agrees with best practice methods. A clear vision is necessary to create lasting organisational change (Brenner, 2008)

2. Change is important in today's society

Change is important in today's society



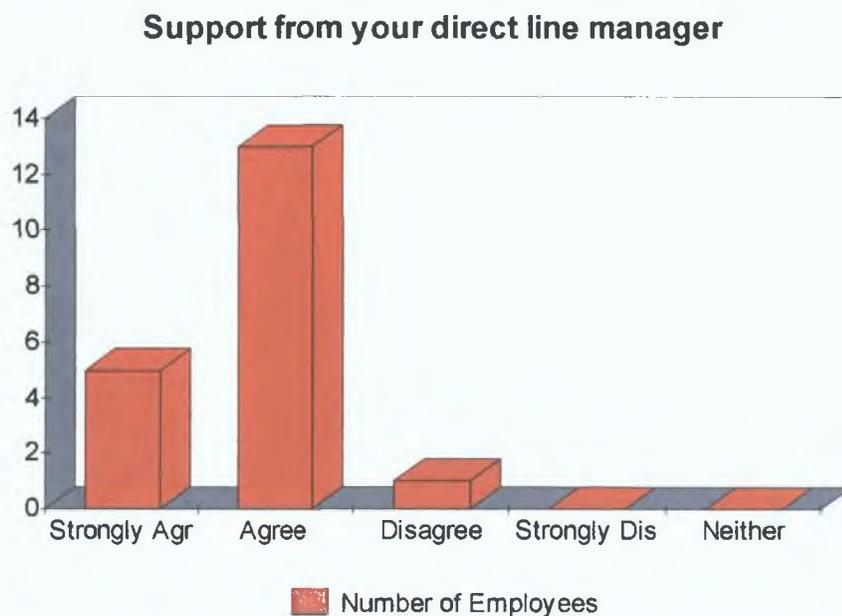
A total of 18 employees either strongly agreed or agreed that change were important in today's society. Only 1 employee neither agreed nor disagreed with the statement.

This confirms all the managers and all employees bar 1 agree that change is important in today's society.

According to (Deifenbach, 2007) this is a hard thing for people to accept. This implies that change is such a constant that managers and employees just agree and acknowledge change happens.

These results imply that both manger's and employee's agree that change is important. Both sides are happy knowing that change is important and necessary in today world.

3. Do you feel you get support from your direct line manager?



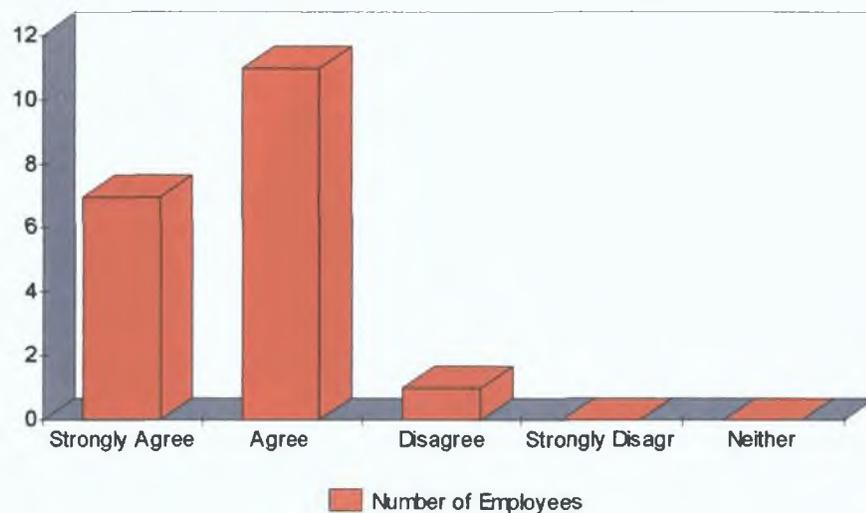
A total of 18 employees either strongly agreed or agreed that they feel they get support from their direct line managers. Only 1 employee feels they do not get support from their line manager.

These are very similar results to the management survey, in total nearly every manager and very employee bar 1 agrees that they get support. This is an excellent result for this Financial Institution as it proves how hard management and employee's work at keeping their relationship open and honest.

In a change process support is an important factor to change from one state to another. Support is also a contributor to best practice methods. This is a very impressive score.

4. Does your line manager help you understand the changes taking place in the organisation?

Understand changes taking place

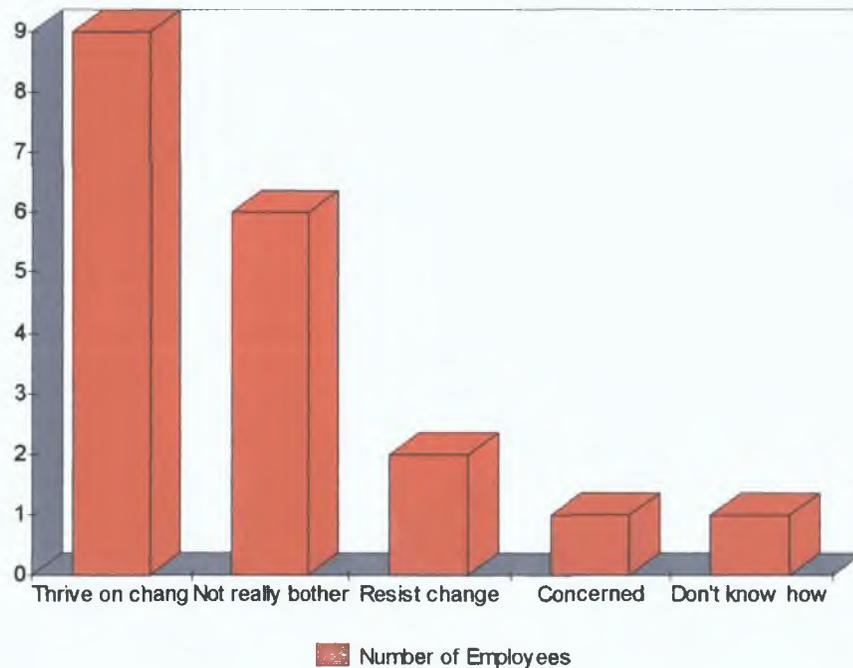


A total of 18 employees out of a possible 19 employees either strongly agreed or agreed that their line managers helps them understand the changes taking place within the organisation. Only 1 employee disagreed. This is a follow on question from do you feel you get support from your line manager.

These results agree with (Klein, 1996) that line supervisors are absolutely necessary to the change process.

5. As an employee involved in a change process how do you react.

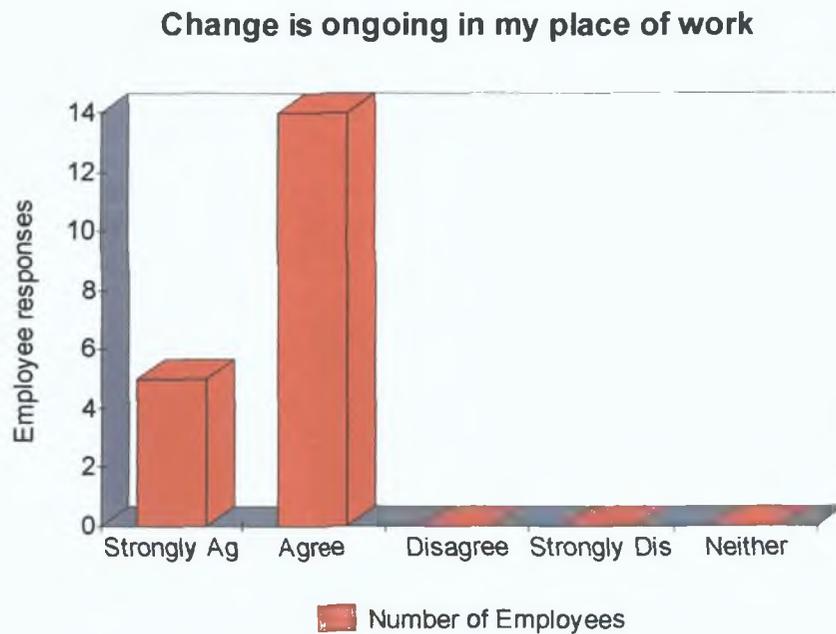
Reaction to Change



9 out of a possible 19 employees stated they thrive on change. 6 employees stated they are not really bothered by change. 2 employees stated they resist change because they need to prepare. 1 employee stated they are very concerned or worried by the change process and finally 1 employee stated they don't know how they would react. These results differ slightly from the manager's answers. There are more who thrive on change and are not really bothered by the change process. These results suggest that (Gmehlin, cited in Bell, 2006) is correct in stating that there are four categories of employee's.

As stated previously this should be back up with observation to see what actually happens during a change process.

6. Change is an ongoing feature in my place of work.



All employees' either strongly agreed or agreed that change is an ongoing feature in their place of work.

This question was looking to see if change was an ongoing feature in this Irish Financial Institution. The results speak for themselves.

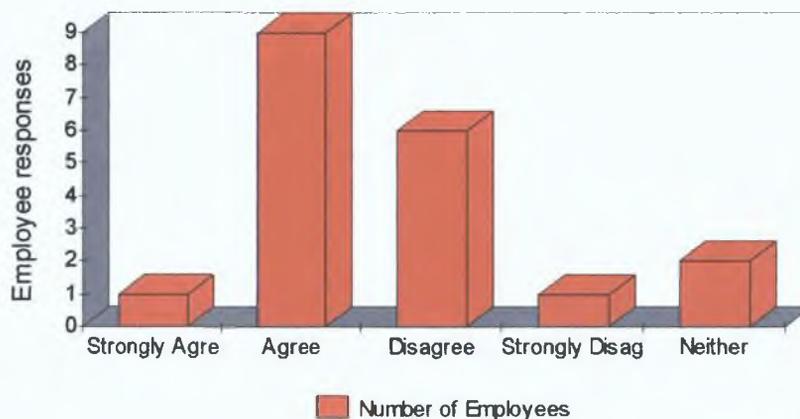
From this answer it could suggest that because employees accept that change is ongoing they are not fazed when a new change process is being announced.

This suggests they are prepared for it.

According to one employee who left a comment on the survey beside the question how does change affect you the employee this employee stated they thrive on change because “it keeps you focused.” This is a great attitude to have.

7. I feel my opinions count.

Mission Statement communicated clearly



10 employees out of a possible 19 responded stating that they either strongly agreed or agreed that they feel their opinions count. A total of 6 employee’s disagreed with the statement and 1 employee strongly disagreed with the statement. Also 2 employees neither agreed nor disagreed with the statement.

The majority of employee's agreed with this statement and according to best practice methods this is important to keep employee's interested and curb resistant by using employee's own opinions or suggestions. It is a bit worrying that a total of 9 employees didn't think their opinion counted and this warrants some further investigation which is out of the scope of this research project. This could present a problem further down the line if not addressed properly.

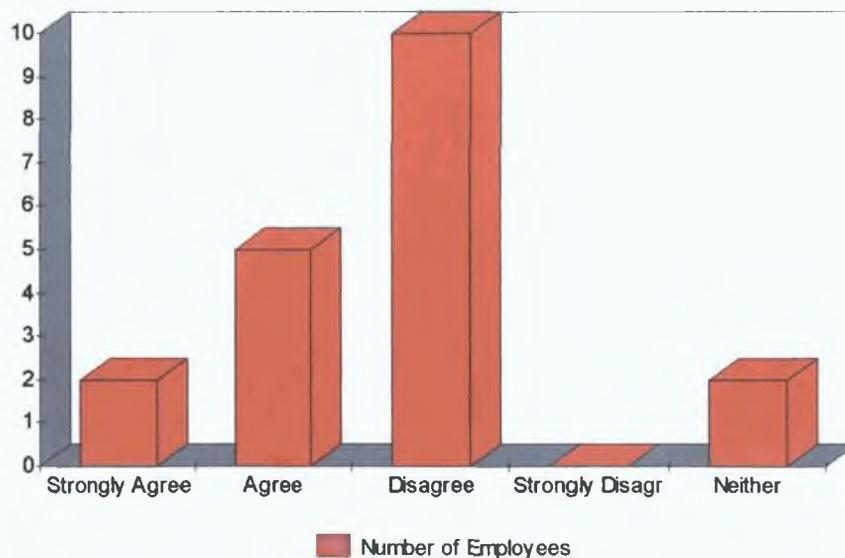
8. I would recommend this financial institution as a good place to work?



A total of 14 employees from a possible 19 stated that yes they would recommend this organisation as a good place to work. 3 employees disagreed with the statement and 2 employees neither agreed nor disagreed with recommending this organisation as a good place to work. This is nearly similar to how the manager's viewed their employee's opinions, whether this is coincident or the line managers really know their employee's. This is great for the Financial Institution according to the results the majority of manager's and employee's agree that this is a good place to work in mist of all the change and uncertainly.

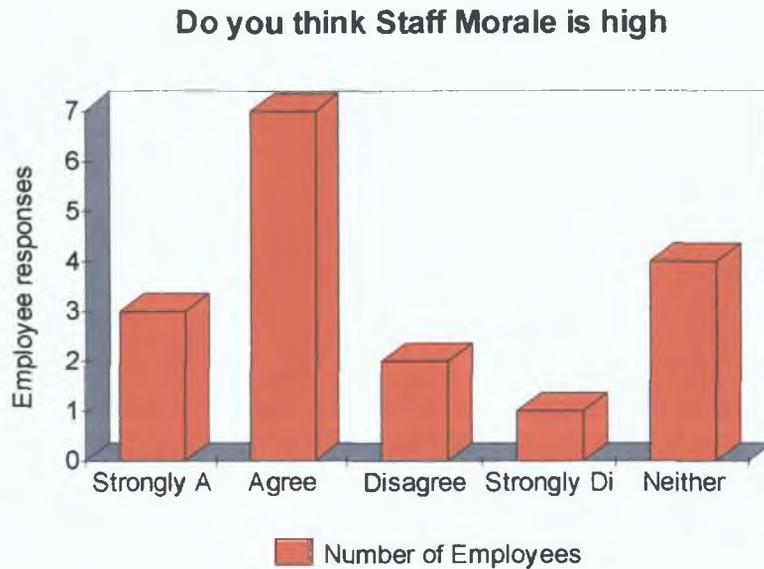
9. Do you think change affects your stress levels in a negative way?

Change affects your stress levels



A total of 7 out of a possible 19 neither strongly agreed nor agreed that yes change affected their stress levels in a negative way. 10 employee's disagreed with the statement and 2 employees's neither agreed nor disagreed with the statement. According to the results the majority of employee's agreed that change does not affect their stress levels in a negative way. This backs up the statement that the Financial Institution is a good place to work. It is worrying to see that 7 employee's do think their stress levels are negatively affects. These needs to be monitored and addressed and this could be damaging to employees well being and mental state or it could lead to absenteeism.

10. Do you think staff morale is high in your relevant section?



10 employees stated the think staff morale is high in their section. 2 employees do no think staff morale was high. 1 employee strongly stated that staff morale was not high and 4 employees neither agreed nor disagreed with the statement. There were also 2 employees who did not complete this question.

The results are similar again in how management view their employee's and how employee's answer. 1 manager and 1 employee strongly disagreed that staff morale is high in their section. Maybe this is the manager and employee from the same section this is only an assumption. On the whole the results state yes morale is high both the manager's and employee's agreed this.

Again it is worrying to see that some individuals either management or employees has issues which seems not to be addressed here as it is out of the scope of this research project.

5.2. Interpretation

As outlined under each question is the results and summary of each question. In light of the results and the interpretation of those results. It can be stated that this Financial Institution does adhere to best practice methods and the literature on change management.

These results as subjective to my interpretation and analysis.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

7.1. Best Practice

Best practice methods are tried and tested best methods, which can be applied to any organisation to suit their needs. This Financial Institution meets the majority of best practice methods set out in the literature review and the results from the questionnaires concluded the majority of manager's and employee's working within are in agreement that change is important and ongoing in this Financial Institution. This helps when changes are being sought. Both the management and employee's agreed that communications are key to the change process and both groups agreed they have the support from their superiors when changes are happening. This lays a good foundation for how employees feel about change.

So according to my problem statement " the effects of change on employees." I would state employee's on the whole understand and approach change positively, both groups understand communications is key and both agree they have the support when change is being sought. Change looks to just be another variable in the lives of employee's working within an Irish Financial Institution.

This is the result of a number of factors and since the banks are dramatically changing for the better for their customer's employees consciously understand and agree this needs to happen thus making change not a word to be dreaded. This disagrees with some of the literature stating employees find it difficult to adapt to change. This might be the case for a small minority.

7.2. Recommendations

Firstly it needs to be pointed out in the light of cultural changes, product and prices change and a change to a can do attitude. This Financial Institution has still remained number two in Ireland. Also according to increased Employee Engagement surveys and the results from this survey it can be said that this Financial Institution is a well-respected and good place for employment.

According to the results from the questionnaires it is also proven that management and employees are generally happy to accept and implement change in Group Payments. From my interpretation of the results I can state there seems to be a cultural of accepting changes and a combined effort to understand and communicate views and opinions.

There are a couple of recommendations, which needs to be addressed. I would try to keep communications as open and direct as possible. In the light of some of the answers in the questionnaires there are some individual issues, which need addressing.

I would suggest an open forum to see why some individuals are unhappy and feel they are overstressed.

I would also recommend reminding management to communicate important notifications to their direct employees as in the questionnaires 6 managers out of a possible 12 did not communicate the mission statement to their employees this could lead to problems later on down the line.

7.3. Conclusion

I conclude that yes employee's are affected by change, but in this Financial Institution it is well managed and taking on board in a generally positive manner. There seems to be a cultural of accepting change within this organisation. This organisation definitely has a competitive advantage over their competitors, as change is not something, which hinders their operations. Management and employee's have a healthy relationship, which is based on honest and open communications.

I agreed with (Kotter, 1996) when he states that the whole objective of the change management process is to achieve a "win-win" situation. From the research conducted on this Irish Financial Institution it can be implied that this is the situation they find themselves in.

This organisation adheres to many of the best practice methods for managing change. Some of the results from the questionnaires disagree with some of the literature on change management but the majority of how employees feel in relation to change agrees with the literature on change.

Overall this organisation is seen as a good place to work.

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Appendix 1

Manager questionnaire and cover letter

28.03.08

Dear Colleague,

I am currently in the process of writing a dissertation titled 'A study of the effects of change on employee's working within this financial institution'.

I would be grateful if you would assist me and answer the attached questionnaire. There is no need to include your name as it is completely confidential. This is purely an academic exercise.

It should only take a couple of minutes to complete and if you have any questions or would like further information please feel free to contact me on the details below.

Thank you very much for your time and effort also if you would like to include any comments please include them at the end of the questionnaire.

I would appreciate if you could reply as soon as possible

Thank you again for your time.
Mary Dunne
Mary.dunne@boigm.com
6093433

Questionnaire for Managers in a particular Irish Financial Institution.

Answer the following questions; you have a range of options to choose from.
Please tick the box beside your chosen answer.

1. Regarding the statement, "I am aware of the new Mission Statement". Would you say you.....

Strongly Agree
Agree
Disagree
Strongly Disagree
Neither Agree nor Disagree

2. Regarding the statement,, "The Mission Statement was communicated clearly to me." Would you say you.....

Strongly Agree
Agree
Disagree
Strongly Disagree
Neither Agree nor Disagree

3. Regarding the statement, "I fully explained the Mission Statement to my direct teams." Would you say you.....

Strongly Agree
Agree
Disagree
Strongly Disagree
Neither Agree nor Disagree

4. Regarding the statement, "Change is important in today's society". Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

5. Regarding the statement, "Change is an ongoing feature in this organisation." Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

6. Do you feel you have the support of your superiors in relation to change.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

7. Do you communicate change effectively to your direct teams.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

8. Regarding this statement, "Change is a chore us managers have to deal with".
Would you say you..... ..

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

9. Regarding this statement, "Communications is key to a change process". Would you
say you..... ..

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

10. As an employee involved in the change process how do you react.

- Thrive on change.
- Not really bothered by change.
- Resist change.
- Very concerned or worried.
- Don't know how I react.

11. As a manager going through a change process how do you react.

- Do you avoid the change being implemented.
- Do you implement the change with no hassle.
- Do not know how I react.

12. Regarding the following statement, "I feel my direct teams are fully informed when changes are being sought." Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

13. Do you think communications at every stage is important in the change process.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

14. I would recommend this Financial Institution as a good place to work.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

15. Do you think you are overworked.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

16. Do you think change affects your stress levels.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

17. Do you think staff morale is high in your relevant section.

- Strongly Agree
 - Agree
 - Disagree
 - Strongly Disagree
 - Neither Agree nor Disagree
-

18. Do you think your direct employees would recommend Financial Institution as a good place to work.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

19. Do you consider yourself as a change agent.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

Appendix 2

Employee questionnaire and cover letter

28.03.08

Dear Colleague,

I am currently in the process of writing a dissertation titled 'A study of the effects of change on employee's working within this financial institution'.

I would be grateful if you would assist me and answer the attached questionnaire. There is no need to include your name as it is completely confidential. This is purely an academic exercise.

It should only take a couple of minutes to complete and if you have any questions or would like further information please feel free to contact me on the details below.

Thank you very much for your time and effort also if you would like to include any comments please include them at the end of the questionnaire.

I would appreciate if you could reply as soon as possible

Thank you again for your time.

Mary Dunne

Mary.dunne@boi gm.com

6093433

Questionnaire for employees in a particular Irish Financial Institution.

Answer the following questions; you have a range of options to choose from.
Please tick the box beside your chosen answer.

1. Regarding the statement, "I am aware of the new Mission Statement". Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

2. Regarding the statement,, "The Mission Statement was communicated clearly to me." Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

3. Regarding the statement, "I fully understand the new Mission Statement". Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

4. Regarding the statement, "Change is important in today's society". Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

5. Do you feel you get support from your direct line manager.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

6. Does your line manager help you understand the changes taking place in the organisation.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

7. Do you think change is necessary for organizations to remain competitive.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

8. As an employee involved in a change process how do you react.

- Thrive on change.
- Not really bothered by change.
- Resist change because I need to prepare.
- Very concerned or worried.
- Don't know how I react.

9. Change is an ongoing feature in my place of work.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

10. Regarding the following statement, "I feel I am fully informed when changes are being sought." Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

11. Regarding the following statement, "I feel my opinions count" Would you say you.....

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

12.. I would recommend this Financial Institution as a good place to work.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

13. I know my job is important to the overall organisation.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

14. Do you think you are overworked.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

15. Do you think change affects your stress levels in a negative way.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree

16. Do you think staff morale is high in your relevant section.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Neither Agree nor Disagree