

CHAPTER EIGHT

DISCUSSION

Introduction

Mergers are becoming characteristic of organisational life. The rationale on which mergers are based is the belief that the synergy of two or more companies can provide greater significant advantages because of enhanced strategic leverage, which generates greater value in combined form than as a separate entity (Napier, 1989). Napier (1989) asserts that the impact of the event and its short and long term effects on the merged workforce have tended to be neglected. Cartwright and Cooper (1993) have found strong evidence to suggest that the expectation of change and fears of future survival, rather than the actual change itself triggers stress. High levels of uncertainty about procedures, social norms and changes in career and daily activities dramatically increase employee stress (Covin et al., 1996). As mergers are currently being recognised as being responsible for creating significant trauma, attitudinal and behavioural problems for employees (Nelson, Cooper & Jackson, 1995) significant interest in the so-called 'human' aspect of the phenomenon and its role in determining merger outcomes has been stimulated. The so-called 'soft' merger issue gives foreground to the framework within which the current study is located. Mergers were selected for this study as a broad area of research in which employee behavioural and attitudinal consequences, specifically readiness for change, were assessed.

The study essentially gives primacy to the phenomenon of employee readiness for change in lieu of Armenakis, Harris and Mossholder's (1993) claim that many organisational interventions do not meet their financial and organisational expectations

as members are not ready. Financial analysts concur that “despite the seemingly favorable strategic, financial and operational assessments made during pre-merger feasibility studies, mergers have a 50–50 chance of being successful” (Covin et al., 1996, p. 126). These researchers essentially reveal the limitations of overlooking employee readiness for change and the importance of planning for human issues in mergers (Armenakis, Harris and Mossholder, 1993). In recognising readiness for change as an important attitudinal reaction amongst employees towards a change, the present study adopted a focus on the processes underlying employee readiness.

Readiness for change is reflected in organisational members’ beliefs and intentions regarding the extent to which the changes are needed and the organisational capacity to successfully make these changes (Eby et al., 2000). While readiness for change is an intuitively appealing construct, “little empirical research has focused on this phenomenon” (Eby et al., 2000) and thus available literature on readiness draws extensively on resistance to change conceptualisations. In view of the limited research focusing on readiness for change, the current study extrapolates from the theoretical underpinnings of the resistance construct in an attempt to examine attitudinal merger outcomes.

Research on readiness for change specifically draws on a distinction between personality structures and employees’ perceptions of certain organisational facets that determine employee readiness (Armenakis, Harriss and Mossholder, 1993). In view of this conceptualisation, the investigation of the present study concerned an examination of both the dispositional (sense of coherence) and contextual (organisational climate) influences on readiness for change.

The dispositional influence on readiness for change was operationalised as sense of coherence (SOC). The need for this examination was located within a recent review undertaken by Eby et al, (2000) examining employee readiness for organisational change. These theorists argue that employee readiness for change lies within the psychological predispositions of individuals experiencing the change. Aligned with this dispositional emphasis, the current study utilised the SOC personality literature in search of the dispositional variable most likely to be related to employee readiness for change. According to Strumpher, Gouws and Viviers (1998) SOC is presumed to mitigate life stress in that it is a coping resource which can affect individuals' appraisals of stimuli as stressors or non-stressors. Within the context of merger stress, SOC is likely to assist employees in their adjustment and adaptation to the change process, which can affect their appraisal of the change and consequently influence their acceptance or resistance of this process.

Organisational climate served as a contextual variable examined in terms of its relationship to readiness for change. This is based on the premise developed by Eby et al, (2000) that employee readiness for change may be indicative of employee perceptions that the organisational conditions can accommodate a change process. Armenakis, Harriss and Mossholder (1993) claim that organisational systems and structures must support and reinforce a climate conducive to change, as this is likely to increase employee confidence in the organisation's ability to withstand change. Furthermore, the organisational climate may support or constrain employees during organisational change, which in turn effects their behaviour and attitudes to the change process (Drory, 1993). Schneider and Reichers (1983) propose that climate perceptions mediate the relationship between organisational context and individual responses.

providing a basis for behaviour and attitudinal affects. Climate in this study was thus used as a contextual variable, which permitted the analysis and understanding of employee readiness for change in a merger.

The aims of the present study were three-fold. The findings of each of the three aims will be dealt with in the following discussion.

Sense of Coherence and Readiness for Change

Summary of Findings

The results of the correlational analysis between sense of coherence and employee readiness for change across both companies in the present study revealed that these two constructs were strongly correlated in company one and moderately correlated in company two. Thus, in accordance with the first aim of the study, which examined the relationship between employee disposition (sense of coherence) and employee readiness for change across two different organisations, extrapolating from the results it appears that the dispositional measure in this study was significantly related to employee readiness for change. This finding, deduced from the correlational analysis, was strengthened by the results obtained from the first order partial correlational analysis. This statistical technique revealed that when partialising out the measure of organisational climate, the relationship between SOC and readiness for change remains statistically the same. This result expands on the correlational analysis, reinforcing the relationship between the psychological predispositions of individuals experiencing change and their readiness for the change process. These results have a meaningful implication for the current study, as they support the consistent and most distinctive research in the field of psychological stress, specifically the recently proposed

personality factor of sense of coherence, which has been identified as a resistance construct which enables individuals to cope with occupational stress (Geyer, 1997). This finding is explored in the following section of the discussion.

The third aim of the study was to examine which set of independent variables (sense of coherence and organisational climate) are most strongly related to the dependent variable (readiness for change) across two different organisations. In examining this research question, a stepwise regression was conducted. The results of the regression analysis revealed that the 'meaningfulness' component of the SOC construct was the most influential dimension on readiness for change in the current study. The results of the regression support Judge et al's, (1999) claim that "dispositional variables are most likely to be related to coping with organisational change" (p.108). These results provide a compelling argument for a focus on the role of disposition in research pertaining to attitudinal and behavioral reactions to organisational change. This finding is reflected upon in the latter section of the discussion pertaining to the relationship between sense of coherence and readiness for change in the present study.

Sense of Coherence as a Coping Mechanism in the Face of an Occupational Stressor

Antonovsky's (1979; 1987) work has been conducted within the context of extensive literature on stress. The current research utilised the conceptualisation of the SOC construct as some organising principle or personality measure as a way of accounting for or predicting employees' sound coping with the stress of a merger, which essentially determines employee readiness to and acceptance of this organisational process.

When looking at the definition of a stressful life event, it becomes clear as to why many researchers depict corporate mergers as a stressful life event. According to Kobasa (1979) "a life event is defined as stressful if it causes changes in and demands readjustment of an average person's normal routine" (p. 2). In view of this definition, mergers can thus be perceived as a stressful experience in the work environment, as during this time work is characterised by uncertainty, ambiguity, and insecurity which ultimately requires adjustment and adaptation (Terry & Callan, 1997). These conditions have been identified as potential stressors culminating in a threatening and uncomfortable experience for employees, often resulting in stress related illnesses (Heaney, Israel & House, 1994). In a study conducted by Kohn and Shooler (1988), chronic job strains during mergers were shown to decrease job satisfaction and increase physical and psychological ill health (in Klenke-Hamel & Mathieu, 1990). Sinetar (1981), however, notes that "certainly not all persons react in such negative ways. Some people take mergers as an opportunity to examine what they really would like to accomplish in life, they take the unsettled period to re-examine priorities, lifestyles, and future goals. Some also decide that the new company will hold value for them" (pp. 865-866). This theorist advocates that not all employees experience depression or self-defeating amounts of anger and that employees who respond most positively will hold more favourable attitudes towards the change process. The current study was grounded in Sinetar's (1981) assertion. Drawing from the literature on readiness for change, the current study proposed that an individual who perceives him/herself as adapting easily to change, and as a result reflects a more positive orientation to the process, may be more receptive and accepting of the organisational change (Eby et al., 2000). The significant results yielded by the correlations between SOC and readiness for change across both groups provide support for this assumption. The correlations reveal that in both

companies, employee SOC, which is a dispositional tendency to appraise life situations as both predictable and manageable (Antonovsky, 1987) was strongly related to employee readiness for change.

Furthermore, the results of the correlational analysis between SOC and readiness for change across both companies provide support for the conceptual overlap between Antonovsky's (1979) salutogenic theory, and literature pertaining to employee readiness for change. SOC is the central resource concept of Antonovsky's (1979; 1987) salutogenic theory, which centres around the origins of health (Strümpfer, 1990). The development of the SOC construct results from Antonovsky's (1987) search for individual resistance resources against stressful encounters (Geyer, 1997). According to Strümpfer, Gouws and Viviers (1998) SOC is a dispositional orientation that is presumed to engender, sustain and enhance health. Extrapolated from these conceptualisations SOC, in the current study, can be understood as dispositional orientation leading to a certain attitude towards a merger. An important element of Antonovsky's (1987) model of SOC is the hypothesis that a strong SOC moderates potentially harmful effects of tension and predisposes one towards the health end of the health ease/disease continuum (McSherry & Holm, 1994). Antonovsky proposes that a person with a strong SOC will be more likely than a person with a weak SOC to appraise stimuli as non stressors, to define them as irrelevant or benign, to approach rather than to avoid potentially stressful situations, and to select flexibly the most appropriate coping strategy, all of which contribute to a greater likelihood of preventing disregulation and achieving a more positive health outcome (Antonovsky & Sagy, 1985). Such an assumption is favoured by the literature on readiness for change; however, within this framework the connection is made between employee perceptions of adaptability to a

stressful encounter and readiness for change. Eby et al, (2000) propose that an individual who perceives him/herself as adapting easily to change, may be more receptive to organisational change and thus reflect more readiness and acceptance of the change process. This direct relationship is exemplified in the results of the correlational analysis across both companies. From these results it is plausible to argue that employees' level of SOC in both companies modified their perceptions of merger stress, which positively affected their appraisal of the merger process and their adaptability to it, thus explaining the strong correlation between SOC and readiness for change in the current study.

Related to the above, the results of the correlation reinforce Antonovsky's (1979) concept of generalised resistance resources (GRRs) that can facilitate effective tension management in any situation or demand (Strümpfer, 1990). The classification of GRRs is portrayed in Antonovsky's (1987) conceptualisation of SOC's three-dimensional role, which within the current study has implications for employees' coping efforts with merger stress and ultimately employee readiness for change. In Antonovsky's (1987) view, all GRRs have in common the ability to facilitate 'making sense' out of the countless stressors individuals are constantly bombarded with. Thus, by mobilising GRRs, individuals will firstly avoid being subjected to some stressors. Secondly, individuals will be able to define some stimuli as welcome; and thirdly, GRR's will improve tension management, which in turn reinforces the SOC and serves to maintain one's place on the health ease/disease continuum (Antonovsky, 1987). This implies that the GRRs within the three dimensional view of the SOC, can amount to a significant coping resource. In line with Antonovsky's (1987) salutogenic orientation to move away from the dichotomy of people as being either diseased or healthy, the results of the correlational analysis across both companies support this theoretical conceptualisation

that coping entails an ongoing process of appraising one's own resources in the face of a stressor (Feldt, 1997), with the result being a lower stress reaction and a more positive appraisal of the stressor, in this case a merger.

In the context of occupational stress Judge et al. (1999) claim that coping can determine the way in which employees appraise and manage a change process. According to Marais (1997) when employees are subjected to organisational change, they often feel that the circumstances extend their coping resources, which causes them to be highly stressed. Conversely McSherry and Holm (1994) postulate that if coping is successful, people experience less strain and perceive the change more favourably. Similarly, in accordance with the literature on readiness for change, individuals who perceive themselves as having the resources to cope with the changing situations, will reflect more positive beliefs about the change thus reducing their resistance to the process. The significantly strong correlations between SOC and readiness for change across both companies in the current study, is an indication of the relationship between personality and coping which has a particularly strong effect on employee readiness for change. Clearly this argument is speculative; however, the evidence presented above can reinforce this proposition.

Antonovsky (1979) expresses the opinion that "stressors are omnipresent in human existence, in fact the human condition is stressful" (p. 10). In light of this assumption, Antonovsky (1979) further proposes that everyone should succumb to this bombardment and constantly be dying. Since this is patently not the case, the question then follows "how anyone ever stays alive" (p. 14), but even more importantly "whence the strength" (p. 7). This question alludes to the mystery of Antonovsky's (1979) salutogenic

orientation, the mystery which literally asks for the organs of health. Antonovsky's (1979) query points out that stress is not a rare occurrence as at least one-third of the population is continuously exposed to stress; however, despite a myriad of stressors, many people survive well, even with a high stressor load. Antonovsky's (1979) question can be extrapolated to the current study if one substitutes 'employee readiness for change' for 'whence the strength'. The results of the correlational analysis in conjunction with the relevant theory embedded in the salutogenic model clearly answers this question by illustrating that employee attitudes to organisational change depends on his/her response to the strains associated with the process. Mergers arouse a condition of tension and stress; which, if managed successfully, employees will appraise the change as comprehensible and manageable, which is significantly related to their readiness for change.

In utilising the SOC construct in the present study as an independent variable and associating it with attitudes to organisational change, the results of the study have important implications for research in the realm of occupational stress. The results yielded by the correlations support Kossen's (1994) position that SOC can provide noteworthy finding in the investigation of responses to stress situations and the development of theoretical models to explain and determine how individuals respond to stressful work situations. The relationship between SOC and a person's confidence in his/her ability to cope with a stressful work situation, and the effect this relationship has on their appraisal and attitude towards the situation (McSherry & Holm, 1994) are directly supported by the correlational results yielded in the current study. This finding suggests the existence of pathways to connect the SOC construct with other related issues affiliated with the concepts of job attitudes or organisational behaviour. Several

studies have recently been conducted providing empirical evidence for this theoretical contention, and thus support for the utility and validity of the SOC construct and measure in the realm of occupational stress. Examples of several studies include a research conducted by Fritz (1989). This study discussed whether the theoretical construct of sense of coherence moderates the relationship between stressors and health related and work related outcomes. Ortlepp and Friedman (in press) tested the relationship between SOC and indicators of secondary traumatic stress in non-professional trauma counsellors. Finally, in support of the association between the SOC construct and readiness for change made in the current study, Marais (1997) similarly used the salutogenic model, with the selection of the SOC construct, to identify copers and non-copers in the ambit of organisational change. The results of this study reflect that of the five managers assessed in the study three matched the profile of non-copers and two resembled the profile of copers, thus indicating a moderately strong relationship between the strength of managers salutogenic personality construct and their ability to cope with change.

A Focus on Disposition in Determining Job Attitudes

The results of the regression analysis revealed that 'meaningfulness' was the most influential dimension on employee readiness for change across both organisations in the present study. The finding extrapolated from the regression analysis is reinforced by the results of the correlational analysis conducted between the three components of the SOC construct and employee readiness for change. In both companies significantly strong correlations were found between 'meaningfulness' and employee readiness for change. These results are consistent with Antonovsky's (1987) theoretical claim that the movement of an individual on the SOC continuum will be determined by the

meaningfulness component which acts as a measure of energy or action potential. Antonovsky (1987) advocates that meaningfulness is the most crucial component of the SOC construct. Antonovsky (1987) proposes that a person with high comprehensibility and high meaningfulness will find that his/her low manageability will become higher, while someone with high comprehensibility and low meaningfulness will have difficulty developing a stronger sense of manageability. Clearly, without this motivational component, high comprehensibility and manageability are likely to be temporary. In the context of organisational change meaningfulness could provide employees with the feeling that the change makes cognitive sense and thus the process will be perceived as clear, ordered, structured and predictable (Fritz, 1989), which will provide employees with a sense of control in the process, enhancing their readiness and acceptance thereof (Eby., 2000).

This finding provides further support to Antonovsky's (1993) renewed approach to the utilisation of this construct in the field of psychological stress, whereby he suggests that a focus on the subscores of the SOC construct can nevertheless be useful in understanding the client's approach to and view of life. The strong effect of meaningfulness on readiness for change in the current study not only validates Antonovsky's (1987) theoretical claim, but is congruent with the results yielded in Ortlepp and Friedman's (in press) study which examined the relationship between SOC and indicators of secondary traumatic stress in non-professional trauma counsellors. In this study, 26% of the variance in counsellors' compassion satisfaction scores was found to be attributable to the meaningfulness and comprehensibility components of SOC, with meaningfulness having the relatively greater (23%) impact. Similarly, this finding

supports the relative influence of the meaningfulness sub-component of the SOC construct.

In view of the above finding, the argument can be submitted that disposition in the current study was more influential than a contextual variable (organisational climate) on readiness for change. This finding supports Strümpfer's et al's, (1998) compelling supposition for incorporating 'dispositional theory into explanations of employee behaviour and attitudes in organisations' (p. 92). Dispositional and situational explanations of organisational behaviour and job attitudes according to Staw and Ross (1985) are a matter of debate. The dispositional paradigm contends that work attitudes and behaviours are determined by, or at least directly linked to, individual attitudes. Situationists, on the other hand, have argued that in the world of work, job characteristics, organisational situations and economic conditions affect people much more strongly than do individual differences (Strümpfer, 1990). Dispositional research has been seriously criticised for not being objectively accessible and thus subject to methodological and conceptual flaws (Strümpfer et al., 1998). It has also been argued that personality traits have accounted for little variance in human action across situations (Judge et al., 1999). Recently, however, several counter arguments, closely aligned with the findings revealed in the correlations in the current study, have been made in defence of dispositional determinants of organisational behaviour and job attitudes. Hesley and Chernick (1982) claim that personality is more predictive of behaviour and attitudes in ambiguous work situations than in settings where role demands are so strong that behaviour is externally determined regardless of personality dispositions (in Staw & Ross, 1985). This proposition is of particular relevance to the current study as it raises the notion that personality traits predisposes individuals to see positive or negative

content in ambiguous organisational change. Once again the significant effect of individual difference on readiness for change, that has been raised by the results in the current study, is highlighted.

The above argument has alluded to the significance of the dispositional approach, which clearly advocates that individuals possess stable traits that significantly influence their affective and behavioural reactions to organisational settings. The key in this phrase is the notion of 'stable traits', which takes the claim of the importance of the dispositional approach in the current study one step further by arguing that since SOC "remains rather stable, after the third decade of life" (Feldt, 1997, p. 135); thus, in the context of the current study it can be viewed as the most useful dispositional to predicting attitudes towards organisational change. Staw and Ross (1985) similarly contend that it is possible to characterise people on certain dimensions if these dimensions have some stability over time, as ultimately these dimensions are effective in predicting individual behaviour and attitudes across situations. In accordance with this assumption, Antonovsky (1979) takes great pains to indicate that the development of the SOC is established in early development, but is subsequently modified during three major life stages of the individual, namely: infancy and childhood, adolescence, and adulthood. Using this conceptualisation to demonstrate the establishment of the SOC, Antonovsky (1987) emphasises the dynamic character of the SOC, going as far as suggesting that SOC has a general tendency towards stability and consistency. Antonovsky (1987) further proposes that one's location on the SOC continuum becomes more or less fixed in adulthood. Within this line of reasoning it can be proposed that SOC in the current study was a stable dispositional measure, which revealed consistency in individual job attitudes despite the changes in job context.

Adopting a dispositional focus in investigating employee attitudes to organisational change is supported by theories of resistance. According to Kossen (1994), the relationship between numerous psychological dispositions and the propensity to engage in resistant behaviour has been studied with noteworthy findings. Of significance are the variables of self-efficacy and locus of control. In a study conducted by McDonald and Siegall (1992) low efficacy levels were found to be correlated with job withdrawal as well as defensive behaviours such as resistance to change and protecting one's turf. Kreitner and Kinicki (1995) similarly suggest that low self-efficacy is positively associated with high tendency to resist changes. Newstrom and Davis (1997) found that locus of control beliefs significantly moderated the relationship between changes in job demands and psychological strain over time. Nelson, Cooper and Jackson's (1995) study revealed that employees with internal loci of control reported more positive attitudes in their organisations experiencing changes. Results from all these studies suggest that salutogenic constructs can potentially influence employee attitude or orientation towards organisational change. Thus, in accordance with Antonovsky's (1979) assumption that individual's SOC is of major importance in determining his/her relative position on the health ease/disease continuum, the results of the current study, in conjunction with the theory on resistance to change, illustrate that SOC was of major importance in determining employee attitude on the resistance/readiness for change continuum.

The Relationship between Organisational Climate and Readiness for Change

Summary of Findings

The second aim of the current study was to examine the relationship between organisational climate and employee readiness for change across two different organisations. The results of the correlational analysis between organisational climate

and readiness for change across both companies in this study revealed that in company one a moderately significant correlation was found between organisational climate and readiness for change; however, in company two these constructs were not significantly correlated. The theory regarding readiness for change has proposed that employees' attitudes towards change are largely determined by their perception that the organisation is ready to undergo a large scale change. In examining the variables that are related to employees' perception of organisational readiness for change, the literature draws on climate research which shapes employees' overall perception of the company as well as perceptions of the conduciveness of specific organisational facets to change. In accordance with the conceptualisation that employees' readiness for change is indicative of the organisation's climate ability to accommodate and successfully make changes, two conclusions regarding this relationship in the present study can be drawn from the results. Firstly, although in company one climate was significantly correlated with readiness for change, this correlation was a moderately strong correlation; thus the results clearly show that the construct of organisational climate were not strongly related to employee readiness for change across both companies in the present study. This assumption is substantiated by D.E. McNabb (personal communication, June 20, 2000). This theorist devised the organisational climate measure utilised in this study and said that scores on the climate measure indicate that a low score is indicative of a less favorably accepted readiness for change intervention. A possible explanation for this finding can be found in the literature pertaining to 'psychological climate' and will be explored in the following section of the discussion. Secondly, the correlations reflect that company one and company two may have differed in their relationship between organisational climate and readiness for change possibly due to the fact that the companies differed in climate conditions conducive to change. This finding will be

examined by exploring generic climate conditions and their effect on employee readiness for change.

Psychological Climate

The framework in which climate was viewed in this study was through the psychological conceptualisation of climate. James and Jones (1974) support the adoption of this stance in advocating that the concept of climate must be described as personalistic since climate is an individual perception. In the present study, climate represented employees' perceptually based, psychologically processed description of their work situation and environment (James & Sells, 1981). The perceptual approach places the basis for the origin of climate within the individual, thus rendering this conceptualisation to be extremely subjective in nature. Subjectivity is the central problem with the psychological approach in that it relies heavily on the way in which individuals interpret and respond to situational variables in a manner that is psychologically meaningful to them, and not simply on the basis of objective descriptions of specific situational attributes (Moran & Volkwein, 1992). In view of this perceptually based or subjective description of the situation, accuracy or consensus of perceptions becomes a potential problem when measuring climate in this way. Hence, in the context of this argument, it appears plausible to suggest that there may have been a lack of consensus on the measurement of climate in each company due to perceptual differences, which can account for the moderately significant correlation between organisational climate and employee readiness for change within the present study. There are several theoretical arguments that can account for the perceptual disagreement on the measurement of climate among organisational members in this study. The first of these arguments is

located in the conception of psychological climate being a function of cognitive information processing.

According to James and Jones (1974) individuals respond primarily to cognitive representations of a situation which is meaningful to the individual. This is accompanied by a filtering process whereby attitudes, beliefs, norms and values which a person has acquired in a lifetime will influence the way in which s/he evaluates or forms a perception regarding a specific situation (James et al., 1978). The implication this process has for the measurement of climate in this study is that different experiences and cognitive capabilities of employees in both organisations will produce different cognitive schemas and hence the difference in perception of the same environment. Due to this lack of consensus, Dilard, Wilgand and Boster (1986) express the criticism that climate as an organisational attribute raises questions as to the accuracy of perceptions when analysed by individual responses. These theorists argue that climate at an individual level of analysis is reduced to subjective meaning that employees bring to and impose on organisational processes and events, which ultimately contributes to more error variance because everyone in the same climate does not share the same meaning attached to organisational attributes and processes. From this premise it can be argued that the framework of psychological climate appears to be limited in terms of its theoretical and practical explanatory power when applied to the present study. It can be assumed that because the climate measures obtained from both companies were essentially cognitive representations of employees' subjective work environment, the mean of organisational perceptions by the group of respondents in each company may not have been an adequate measure of the organisation's climate, and thus a moderate

correlation between organisational climate and readiness for change in this study was found.

This finding is further complicated by the fact that the subjects in this study had to rate the climate of the companies in which they were previously employed prior to the merger in order to examine whether the climate in these organisations were conducive to change and how these climate conditions had an affect on employee readiness for change. As the subjects had think in retrospect when rating the climate of their original companies, their perceptions of the climate of the organisations may not have been accurate, thus resulting in a possible lack of perceptual agreement on the measurement of climate in both companies, producing a moderately significant correlation between organisational climate and readiness for change in this study.

Related to the above, a further issue surrounding the controversy of accuracy and/or consensus on the measure of climate is the effect that dispositions have on employees' perceptions of climate. A significant portion of the variance in perception of climate of both companies in the present study may be accounted for by variance in disposition. According to Hershberger, Lichtenstein and Knox (1994), individuals may vary in their predispositions to positively or negatively evaluate their work environments. This hypothesis follows from prepositions in recent behavioural research in which substantial variation in disposition has been found to influence cognitive traits. (Hershberger, Lichtenstein & Knox, 1994). An example of research relevant to this argument pertains to studies that have found dispositional differences to interact with objective organisational characteristics in influencing employee attitudes and behaviours (Sanders & Nalkis, 1982). Hershberger, Lichtenstein and Knox (1994) tested this hypothesis by

examining dispositional differences in perceptions of climate. The results of the study reflect that disposition accounted for approximately 22% and 27% of the variance in two climate dimensions, thus supporting the hypothesis that disposition affects perceptions of climate. Hence, it can be argued that a significant proportion of variance in perception of organisational climate of both companies in the present study can be accounted for by variance in disposition. The effect of disposition on perceptions of climate has elicited a controversy attracting climate researchers, in that it is now argued that it is difficult to determine whether individuals' perception of climate is a reflection of organisational attributes or people attributes. According to Orstoft (1993) if the individual's perception of climate in which s/he works is related to his/her personality attribute or disposition then it is a matter of theoretical and practical value to ascertain the determinants of individual perceptions of climate. This conceptual problem has not been encountered, as researchers have not yet developed a way of assessing or measuring organisational climate independently of individual disposition and personality. Although the study intended to measure employees' global perceptions of their environment in both companies, it cannot be guaranteed that these perceptions are based solely on organisational environment attributes, thus limiting both the accuracy and consensus of climate perceptions within both companies.

An additional explanation for the lack of consensus on climate perceptions in both companies can be found in evidence that reveals that on different levels of the hierarchy different climate perceptions come into play. Teirney (1997) advocates that perception of climate is determined by a host of factors such as organisational hierarchy, position type and salary. Drory (1993) examined the relationship between perceived organisational policies and employee status. The results of the study revealed that lower

status employees who lack the power base and the means of influence perceive a political climate as a source of frustration and associate it with negative attitudes towards the organisation. Higher status employees, however, are in a better position to handle political behaviour reflected a more positive perception of the political climate. These claims, in the context of the current study, raise the possibility that hierarchical status may have affected individual perception of climate, resulting in disagreement on climate perceptions within both companies, as climate was measured at all levels in each organisation, thus contributing to the moderately significant correlation between climate and readiness for change in the study.

The above discussion clearly outlines the persistent problems fueling the controversy surrounding the subjectivity of the climate construct, and in doing so accounts for the moderately significant correlation results yielded in the present study. Evidently, the lack of consensus on the measurement of climate in each company resulted in a moderate effect of organisational climate on employee readiness for change in the current study. From what has emerged so far on the discussion of organisational climate, it is becoming evident that this framework has consistently raised several controversies and unanswered questions, and thus one can legitimately question whether this construct was a helpful measure of assessing readiness for change in the present study. Eby et al. (2000) argue that "if individual's perceptions of their environment is influenced by their perceptions and not by objective reality then theorising that climate is associated with readiness for change may be largely misstated" (p. 422). It can thus be assumed that the controversies surrounding the climate construct have implications for the current findings in terms of an inaccurate calculation of the correlation between organisational climate and employee readiness for change.

In this study, organisational climate within the psychological climate framework reflected a process that was inherently psychological in nature and therefore one of descriptive judgement (Naylor, Pritchard, and Ilgen, 1980). This gives foreground to the theoretical implications of adopting a psychological climate approach in this study. In view of the fact that psychological climate is a perceptual self-report measure, it cannot be denied that disagreement between organisational members on perceptions of climate will undoubtedly result, rendering this conceptualisation inappropriate to serve as a reliable measure of employee climate perceptions. In order to gain a significant consensus on climate perceptions among organisational members the collective climate approach could have had greater predictive power of climate. Field and Abelson (1982) propose that a relatively stable way of determining the overall climate of the organisation would be to determine the congruency between climate perceptions, major organisational dimensions and the appropriateness of these to the environment. Consensus occurs when the congruency between these measures vary minimally, thus the greater the consensus the greater the predictive power of climate.

On the basis of Eby et al's, (2000) recommendation that employee attitude or readiness for change is indicative of the organisation's climate conduciveness to undergo a large scale change, it can be hypothesised that the different correlations between organisational climate and employee readiness for change across both companies in the present study can be explained by the different generic climate conditions in each organisation. Essentially, the following discussion will propose that the different climate conditions in each organisation, which ultimately determined the way in which change was implemented and employees' acceptance of the change process thereof, has produced inconsistent findings across both companies in this study.