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**EMPLOYEE READINESS FOR CHANGE
WITHIN AN ORGANISATIONAL MERGER:
INDIVIDUAL AND CONTEXTUAL CORRELATES**

Shira Shalem

**A dissertation submitted to the Faculty of Arts, University of the Witwatersrand,
Johannesburg, in partial fulfillment of the requirements for the degree of
Master of Arts in Industrial Psychology**

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DECLARATION

I hereby declare that this dissertation is my own, unaided work. It is being submitted for the degree of Masters of Arts in Industrial Psychology, at the University of the Witwatersrand. It has not been submitted before for any other degree or examination in any other university.

Shira Shalem

January 2001

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ABSTRACT

Critics of the organisational paradigm to organisational change (Cartwright & Cooper, 1993) argue that by focusing exclusively on the organisational impact of change, human resource concerns in this process are overlooked (Taylor, 1999). Nelson, Cooper and Jackson (1995) further suggest that as organisational change, specifically merges, creates feelings of insecurity, fear and stress, the impact of the change on the workforce can no longer be neglected (Crouch & Wirth, 1991). In recognition of their pervasive nature, and in an attempt to address the limitations of prior research which has neglected the impact of change on the workforce, mergers was selected as a broad area of study in the present research. Contemporary approaches to merger research strongly emphasise the individuals' experience of change (Lokk & Arnetz, 1997). A conceptualisation within this approach that has generated substantial interest among researchers and organisational practitioners is employee readiness for change. Readiness for change was incorporated into the present study as a theoretical framework from which to further an understanding of employee attitude and responses to change. In examining the processes underlying employee readiness for change, the present research utilised both a dispositional (SOC) and a contextual (organisational climate) variable. The broad aim of the current study was to examine the degree of association between employee disposition (SOC) and employee readiness for change as well as employee perception of the contextual factors (organisational climate) and employee readiness for change. In addition, the study aimed to determine which set of variables (SOC and organisational climate) was most strongly related to employee readiness.

The present study was conducted in a South African organisation that has recently undergone the process of a merger. Employee readiness for change was explored from both the original companies of this newly merged organisation. Thus, the research was conducted on two samples of individuals ($n = 57$) and ($n = 88$) respectively. A number of statistical techniques were employed as a means of analysing the questionnaire data, including chi-squared tests, correlational analysis, regression analysis, first order partial correlation and t-tests. Firstly, it was found that the dispositional measure (SOC) was strongly correlated with employee readiness for change. Secondly, the meaningfulness component of the SOC construct was found to be the most influential dimension of readiness for change in the current study. Thus, the significant role of disposition in research pertaining to attitudinal reactions to organisational change was demonstrated. Finally, the results indicated that organisational climate and employee readiness for change were moderately correlated. This finding was attributed to the relevant criticisms of the theory of climate. The limitations of the study, important practical implications as well as directions for future research were also considered.

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