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Employee readiness for change within an organisational merger :|bindividual and contextual correlates

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An Investigation into Climate Conditions and Employee Readiness for Change

Eby et al, (2000) contend that, when examining the role of employee attitudes, in this case readiness for change, one should look at general organisational factors that would support and reinforce a climate that is conducive to organisational changes. McNabb and Sepic (1995) further propose that, in preparing for large scale change, specific organisational systems and policies need to be realigned prior to the change in order to increase employee confidence in the organisation's ability to withstand change and create the momentum necessary to sustain the change effort. Shadur, Kienzle and Rodwell (1999) similarly advocate that during change attempts have to be made to influence organisational climate to provide optimal conditions for implementing change. This claim alludes to the possibility that in the current study the two companies differed on the correlations between organisations and climate and readiness for change due to the fact that different attempts in each company were made to match the organisational climate to the change process.

According to Bennett, Lehman and Frost (1999), some climates are more adaptable and thus more conducive to change than others. Wallach (1983) states that the organisational climate profile best suited for change implementation is a supportive, innovative climate. Share and Wayne (1993) define a supportive climate as one that inculcates values such as harmony, openness, friendship, collaboration, encouragement, sociability, personal freedom and trust. Earlier research on resistance to change suggested that a supportive climate is an important part of the organisational change milieu (Scott & Bruce, 1994). Shadur, Kienzle and Rodwell (1999) report that positive relationships have been found between employees' perception of being valued and cared about by the organisation and employee acceptance of change as well as between innovation on behalf of the

organisation in the absence of direct reward and employee acceptance of change. The literature clearly suggests that organisational support for employees is a strong predictor of employee attitudes in times of change. In accordance with the present research it could be hypothesised that a supportive climate in company one could have provided employees with a certain amount of comfort regarding the nature of the change, and possibly reflected a level of flexibility, allowing for employee involvement in organisational decisions. Within this environment employees are likely to hold more favourable attitudes about the organisation's readiness for change and thus be more accepting of the change process (Eby et al., 2000). Conversely, in company two, the logic of bureaucracy could have prevailed, compelling employees to adhere to vertical hierarchies, formalised communication mechanisms and strict procedures (Hemmingway & Smith, 1999). This formal arrangement could have excluded employees from adequate participation in decision making and could have restricted the flow of information to employees regarding the change process (Orstoff, 1993). The results revealing the non-significant relationship between organisational climate and readiness to change in company two could possibly be due to a rigidly held bureaucratic climate which resulted in a non-significant correlation between organisational climate and readiness for change thereof. This assumption, however cannot be stated with a high level of certainty and thus a qualitative follow-up would be needed to confirm this claim.

It has been argued that, since a leader sets the tone for an organisation, leadership style should be considered synonymous with organisational climate (Al-Shammari, 1992). The multidimensional assessment of situational characteristics also enables organisational climate to serve as an umbrella concept that covers several variables in the organisation, including leadership behaviour (Field & Ableson, 1982). Lin, Madu

and Chu-Hua Kuei (1999) advocate that leadership is one of the many dimensional factors of climate, and when conducting climate research it is not unusual to have a dimensional factor in climate instruments that describes the behavioural characteristics of leaders in organisations. From this premise, it can be argued that leadership styles could have implications for the results yielded by the correlations between organisational climate and readiness for change across both companies in the present study. With respect to company one, it could be hypothesised that the moderately strong correlation could be attributed to a possible supportive management style. As such, the leader could have been approachable and considerate, and allowed employees to feel heard and understood regarding their concerns of the change process, which is likely to reduce employee resistance (Agocs, 1997). This assumption is supported by the managing director's (personal communication, 6 December 2000) explanation of the merger process. The fact that in company one the employees were directly informed about the merger from management, reflects an approachable and supportive leadership style. Conversely, in company two, it can be proposed that the non-significant correlation between organisational climate and change is a result of an authoritative leadership style, which increases employee frustration and aggression towards the change, often culminating in more intense resistance towards the change process (Judson, 1991). This is congruent with the fact that in company two managers did not openly communicate with employees about the change process. In this company the employees were informed about the change indirectly, thus confirming the autocratic leadership style (managing director, personal communication, 6 December 2000)

Another possible explanation for the findings pertaining to the climate and readiness for change constructs across both companies in the current study can be located in the

theory of resistance which identifies interpersonal relationships as a potential influence on resistance or acceptance of change. Interpersonal relationships can have both positive and negative effects on the willingness and ability of organisational members to deal with change (Cartwright, 1983).

Armenakis, Harriss and Mossholder (1993) hypothesise that the characteristics of the organisation must support and reinforce a climate conducive to the change in order for the change effort to be successful. These theorists propose the use of readiness for change programmes in order to influence employees' beliefs and attitudes regarding the change as well as a way of assisting and promoting readiness for change. This proposition is of particular relevance to the current study, in that it raises the notion that there are certain factors relating directly to the nature of the change and the way in which the change process was managed in both companies, which could have increased the likelihood of employee resistance/acceptance of change. Armenakis', Harris and Mossholder's (1993) model of readiness for change encourages employee active participation in the change process. Active participation directly involves employees in activities surrounding the change process, which is likely to improve employee trust in the change and understanding of the need for change (Kossen 1994), thereby reducing possible rational resistance. The extent to which both companies in the present study encouraged participation of end users in the change process could have significantly differed, thus accounting for the different correlations between climate and readiness for change in both groups. In company one management demonstrated sincere and genuine interest in employee participation by communicating with them about the change directly (managing director, 6 December 2000), which fostered a moderately strong correlation between employee perceptions of organisational climate and employee

readiness for change. In company two, however, due to the indirect communication process between management and employees regarding the change (managing director, 6 December, 2000) employees could have been more reluctant to engage in the process with the correlations revealing that climate was not correlated with employee readiness for change.

Another key element of organisational climate that can facilitate employee readiness for change is communication. Conner and Lake (1988) propose that ignorance and rumours concerning a proposed change are likely to exacerbate the formation of exaggerated conjectures and incorrect assumptions thus increasing the probability for resistance. Armenakis, Harriss and Mossholder's (1993) model for readiness for change suggests that in order to provide clarity concerning the proposed change, change recipients should know the dynamics of the process to the fullest extent possible. Firstly, the recipients know the rationale behind the change and secondly, the planned procedure, i.e. what the change involves and how it will affect employees. Brits and Scheepers (1995) contend that while such a comprehensive explanation of the change strategy may be time consuming, it is argued that owing to its potential to minimise employee anxiety by discriminating between fears and unrealistic and realistic possibilities, such a measure is exceptionally beneficial in dealing with both logical and psychological resistance to change. It can thus be hypothesised that the moderately strong correlation between climate and readiness for change in company one can be attributed to employees' positive perception of the open climate whereby communication addressed the ambiguity surrounding the proposed change (Judson, 1991). Conversely, the lack of a significant correlation between the climate and readiness for change measures in company two could be a result of the excessive secrecy around the change which could

have instilled fears of job insecurity (Chang, 1994). Once again the above assumptions are supported by the information given by the managing director (personal communication, 6 December 2000) regarding the manner in which the change was communicated across both companies in this study.

Taken together, the results of the study suggest that very little energy in both companies was geared towards creating readiness from within the organisations. Although in company one a significant correlation between climate and readiness for change was yielded, this correlation was moderate and therefore it can be argued that the construct of organisational climate was not significantly correlated with employee readiness for change across both companies in the current study. Drucker's (1982) criticism of generally accepted approaches to planning for and implementing mergers has significant bearing for the current study. In accordance with past merger failures, these two organisations similarly may not have taken cognisance of the way in which the merger was communicated, the requirements of the merger and the rate at which the merger took place and how the lack of focus on these processes affected employee attitudes towards the merger.

A Critique of the Organisational Climate Construct

Overall, with respect to the construct of organisational climate, the results of this study, in conjunction with the relevant criticisms of the theory of climate, can highlight the limitation of the use of this construct in the present study.

The construct of climate is a controversial one, one which has been freely criticised. The most common controversy, which has raised many criticisms concerning the

effectiveness of this construct, is that it is an intangible aspect of organisational reality and the facet-specific climates which have been identified are subject to individual perception and interpretation (Anderson & West, 1998). Moran and Volkwein (1992) further argue that researchers cannot assume that individuals are capable of perceiving structural climate factors with considerable accuracy and that such perceptions account for the most salient features of climate. According to Joyce and Slocum (1982) there is little agreement concerning whether individual perceptions may be aggregated to represent the climate of a group or larger unit of analysis. These theorists allude to the controversy that still exists as to whether climate is organisational if there is no consensus among employees as to what the organisational climate is (Bennett, Lehman & Frost, 1999). These controversies strongly question the validity and reliability of this measure in the current study as this study gave adequate consideration to the subjective impact that the climate variable has an individual's reaction to a large scale organisational change.

One of the more persistent problems fueling the controversy surrounding the climate construct is the limited specification of appropriate climate dimensions. According to Hemmingway and Smith (1999) dimensions of climate are 'humanlike traits' which individuals attribute to an organisation. Thus, climate may consist of any number and type of dimensions since individuals' perceptions are so numerous and varied. Field and Abelson (1982) claim that dimensions of climate have been determined through the measurement of individual perceptions of employees within organisations. Most results have been obtained by aggregating the scores of all organisational participants to who responded to questionnaire surveys. These aggregate scores were then considered indicators of the degree to which a particular dimension was experienced in the climate

by everyone in the organisation. These theorists, however, argue that average scores create obvious problems, especially when people within the same organisation view climate dimensions differently. Dillard, Wilgand and Boster (1986) utilise this operationalisation of climate. By focusing on subjective components of climate in the current study, measures of organisational climate were likely to be interpreted in a variety of ways, rendering comparisons across both companies difficult.

According to Glick (1985) the multidimensional nature of climate allows it to encompass numerous organisational or psychological dimensions, but it also contributes to the 'general fuzziness of the construct'. Due to the multidimensional nature of the climate construct, researchers have not reached a consensus as to the defining dimensions of the climate measure. Field and Abelson (1982) however identify four common dimensions of climate, namely: autonomy, degree of structure, rewards and warmth and support. While it is apparent that these four dimensions of organisational climate are common, several writers have noted that there are other dimensions. Johnson and McIntyre (1998) argue that the organisational climate construct is sufficiently complex that even six or seven dimensions may not be adequate to describe it. Glick (1985) is of the opinion that some parsimony is necessary and encourages researchers to use climate dimensions that are likely to influence or be associated with a particular study's criteria of interest. Anderson and West (1998) similarly advocate for the measure of context-specific climate facets, however, they also assert that it is meaningless to apply the concept of climate without a particular refferent (e.g. climate for change, climate for innovation etc.). With recourse to the current study, a measure of climate devised by McNabb and Sepic (1995) was utilised encompassing the following nine dimensions (1) structure; (2) responsibility; (3) reward; (4) risk; (5) warmth; (6) support;

(7) standards; (8) conflict; and (9) identity. Drawing from the research on organisational climate, there is strong support for the way in which the climate measure was utilised in the current study. Four of the dimensions within McNabb and Sepic's (1995) scale are supported by the literature in that they have been previously cited by Field and Abelson (1982) as "the common dimensions of climate"; specifically the dimensions of autonomy/responsibility; reward; structure; warmth and support. Furthermore, the measure of climate, in accordance with Anderson and West's (1998) assertion, was used with a particular refferent (readiness for change). This measure was therefore legitimately utilised in the present study, as it adhered to the above theoretical requirements.

Moreover, assuming from the reliability results that McNabb and Sepic's (1995) climate scale was a reliable measure in the context of both companies in the present study, it cannot be negated that the climate construct in the current study yielded moderately significant results. It is therefore plausible to propose that climate dimensions are not necessarily global and must be determined by the specific criteria of interest; or, as Schneider and Reichers (1983) suggest, these dimensions need to be domain specific. Therefore, in the context of the current study it could be argued that these dimensions were not appropriate to the organisation's studies. Moreover, they may not have been conducive to the phenomenon of mergers.

Clearly, there is sufficient evidence to show that the conceptualisation of the climate construct is subject to flaws. The criticisms discussed in this section reinforce the controversial nature of this construct, and thus any conclusions and inferences drawn in relation to this measure in the current study will inevitably be tempered by these debates.

It is, however, essential to remain flexible and scientific enough to use these criticisms constructively, thereby not rendering this measure as completely null and void as it cannot be negated that it is a useful variable in analysing and understanding individual and group behaviour in complex social situations.

Methodological Limitations of the Present Research

The present investigation has produced some pertinent findings, which need to be viewed within the context of several theoretical and methodological issues and limitations which have emerged during the course of the study and are identified in this section.

The method of data collection used is an area of limitation. A cross-sectional design was adopted, meaning that measurement was taken at one point in time. Cross-sectional designs are often limited by the small amount of information available and the limited accuracy with which respondents report their perceptions and attitudes (Singleton, Straits & Straits 1993). The issue of causality is problematic when using a cross-sectional design, since in field studies, a correlation between x and y does not indicate that x causes y (Neale & Liebert, 1986). However, this does not take into account that y may cause x and that possibly a third variable, z, may jointly cause both x and y. Furthermore, a cross-sectional study does not allow the researcher to study trends, or whether a relationship found between two variables will remain the same over time (Bailey, 1982). In order to ascertain causality in attitudinal research, longitudinal investigation is preferable (Covin et al., 1996).

An ex-post facto design was also utilised in the present study. The researcher was seeking to understand the subjects' experiences of organisational climate in the original organisations prior to the mergers, thus the design was undertaken after the event. The weakness of the ex-post facto research is that it is an extensive research process, and after completion relationships established by this process cannot be stated with any degree of certainty. Ex-post facto designs involve weak inferences due to the time that has lapsed from the actual event taking place (Research Design and Analysis Reading Pack, 1999). In the context of the current study, the accuracy with which subjects rated their perceptions of the climate of the original organisations prior to the merger is questionable. Thus, the relationship between organisational climate and readiness for change can best be stated as tentative and subject to possible flaws with respect to internal validity.

The framework in which climate was assessed in this study was through the psychological conceptualisation of climate. Essentially climate in this study represented employees' perceptually based, psychologically processed description of their work environment prior to the merger. Psychological climate has been said to be subjective and therefore difficult to describe and evaluate objectively (Moran & Volkwein, 1992). Thus, instead of this perceptually based description of the situation, accuracy or consensus on subjects' perceptions of climate in this study was a potential problem when measuring climate in this way.

Invalidity of instruments refers to an instrument, which is unable to provide a valid measure of a variable of interest. This definition implies that instruments that are valid in one context may not be valid in another. Climate is multidimensional in nature, which

allows it to encompass numerous organisations or psychological dimensions (Glick, 1985). However, Anderson and West (1998) advocate that the measure of climate must be context specific. In the context of this study, although McNabb and Sepic (1995) designed this climate measure specifically to determine readiness in the context of change, the moderately significant climate results reflected in this study alludes to the possibility that these dimensions were not conducive to the phenomenon of mergers.

Scales themselves are highly subjective because items are selected and used according to the needs of the scale. Hamilton (1968) argues that scales often force an 'extreme response style' (the respondent chooses extremely positive or extremely negative answers), such that other possible responses are ignored. The use of paper-and-pencil tests is often a basis for informational inaccuracies, such as temporal or mood fluctuations in subjects, distortions of memory and bias induced by checklist formats (Anastasi, 1988). Nevertheless, paper-and-pencil remain useful devices in cross-sectional research for the administration of questionnaires when the researcher is not present. The current study could have benefited by utilising triangulation, or by hybrid technique combining quantitative and qualitative forms of measurement. In this manner, not only would conclusive results have been researched, but a more in-depth understanding as to the reasons for such results would have been made more easily available.

A further limitation of this study concerns the manner in which the questionnaires were distributed. Because the Human Resource director of the newly merged company distributed the questionnaires to the staff, despite the fact that confidentiality was guaranteed, they could have exercised response bias. Response bias could have further

been escalated due to the sensitive nature of a merger process. Sinetar (1981) describes the merger as an 'ambiguous time' during which employee reactions are most intense. Leadership and communication are particularly fundamental to employee reactions in this process. This provides a further explanation as to a possible response bias, in that subjects were aware that the results of the study would be made available to the organisation.

A problem with regards to the sample is differences between the two groups (n for company one was 57 and n for company two was 88). Due to the differences between groups, non-parametric rather than parametric techniques had to be used in order to make comparisons between groups on the descriptive data. These techniques have less power and are less likely to obtain significant results (Howell, 1995). An additional problem with regard to the current sample is that the given sample composed of predominantly white employees (70,18% in company one; and 65,91% in company two), thus posing a distinct threat to the representativeness and generalisability of the results.

Practical Implications of the Study

There are a variety of practical implications which emerge from the present study.

It has been well acknowledged that employees' reaction to organisational change can fundamentally determine and reshape the outcome of the intended change (Lau & Woodman, 1995). Readiness for change has recently been identified as an important attitudinal reaction amongst employees towards a change. It has been reported that approximately 80% of mergers do not meet either financial or organisational

expectations (Bastien, 1987). It has been well argued that these failed change efforts may be attributed partly to the fact that employees "are simply not ready" (Armenakis, Harris & Mossholder, 1993, p. 700). As such, organisations cannot afford to neglect planning for human issues in mergers. Furthermore, effort should be geared at reducing resistance such that the change process will continue and meet intended outcomes. In other words, the achievement of employee willingness to agree to and begin to accept the change process in order to facilitate employee readiness should be considered a priority of organisational practitioners.

It has been proposed that employee readiness for change is largely determined by both contextual facets as well as disposition (Armenakis, Harris & Mossholder, 1993). The major finding of this study was that disposition (SOC) was found to have a significant effect on readiness for change. While SOC is a significant coping resource which is likely to assist employees to their adjustment and adaptation to the change process (Judge et al., 1999), one cannot ignore the significant trauma that mergers often create for employees (Covin et al., 1996). Although successful coping with and acceptance of a change process has been shown to be rooted within personality traits, failure to encourage organisational responsibility or to introduce the change effectively and sensitively so as to reduce employee uncertainty and insecurity will heighten employee resistance to the process and generate profound feelings of anxiety and stress. It is also of considerable importance for organisations to take cognisance of and evaluate the SOC construct (Fritz, 1989). The SOC construct could assist practitioners in the field in approaching the matter of stress in organisations differently. Introducing this concept into organisations could assist organisational practitioners in planning for human issues in mergers more sensitively.

This research may facilitate an understanding, among organisational practitioners, of the psychological dynamics of the change process and enable them to advise organisations concerning the pursuit of planning for human issues on mergers and establishing readiness for change programmes. Research on readiness for change suggests that, when preparing for large scale change, conditions in the organisation need to be ripe and conducive to the process so that employees will perceive the organisation to be ready to take on large scale change, which in turn determines that acceptance of the process. It has also been suggested that the value and importance of the change must manifest itself throughout the organization (Eby et al., 2000). It is therefore advocated that an important way in which change can be motivated, or readiness for change created, is by selecting an appropriate manner by which change is implemented and introduced. In particular, the degree to which employees are kept informed and involved in the change process and the manner in which their problems, uncertainties and grievances are dealt with.

Implications For Future Research

There are many ways in which future research can refine and expand on the findings of the present study as well as addressing some of the methodological limitations identified earlier.

The present study attempted to address the shortcomings of past research in the realm of organisational change by focusing on the 'soft' merger issues, specifically the processes underlying employee readiness to change. While readiness for change is an intuitively appealing construct, little empirical research has been conducted on this phenomenon (Eby et al., 2000). In view of the strong conceptual link between resistance and readiness for change, the current study, in accordance with current literature on readiness for

change, extrapolated from the theoretical underpinnings of the resistance construct in an attempt to examine employee readiness within the context of a merger. This, however, cannot provide a clear understanding of readiness as the concepts are discussed in this study in relative terms. Further research is needed to investigate this phenomenon, which would hopefully enrich the theoretical base of this process.

Moreover, given that this study was one of the first of its kind that attempted to develop an understanding of the relationship between both disposition and contextual factors and readiness for change, it is suggested that this study be replicated to ensure its validity and reliability. In replicating this study, however, triangulation should be used, whereby a combination of qualitative and quantitative data methods could assist the researcher in developing a more in-depth understanding, not only of the results but of the reasons such results were arrived at. Moreover a longitudinal design could provide more insight into the investigation of employee readiness for change. As change processes are dynamic and continuous, whereby the organisation is continuously redefining itself, (Eby et al., 2000) a longitudinal study could assist in examining employee readiness as employees progress through the stages of the organisational change intervention (Kram, 1985) as well as establish more clearly the matter of causation between both disposition and contextual factors and employee readiness for change.

The results of the present study, specifically the significant correlations found between sense of coherence and readiness for change, indicate the kinds of hypothesis that could evolve from a dispositional approach to research exploring job attitudes. In the context of the current study the important point is not which factor (sense of coherence or organisational climate) might logically account for readiness for change, but the fact that

the results reflect the likelihood that a dispositional perspective to examining employee reactions to organisational processes can be theoretically rich as well as empirically predictive. Thus, in accordance with Strümpfer et al's, (1998) recent claim for incorporating dispositional theory into explanations of employee behaviour in organisations and the need for the development of more dispositional literature in organisations. Research which seeks to further develop dispositional theories of job attitudes will not only add to the scope of this paradigm, but also serve to confirm and support previous findings.

With regards to the relationship between sense of coherence and readiness for change, a significantly strong correlation was found between the SOC total score and readiness for change across both companies, which is consistent with Antonovsky's (1987) contention that successful coping depends on the SOC as a whole. Furthermore the analysis of the SOC sub-scores and readiness for change produced significant findings with regard to the 'meaningfulness' component and readiness for change. This finding concurs with Antonovsky's (1987) assumption that the movement of an individual on the SOC continuum will probably be determined by the meaningfulness component. In view of this claim as well as the results of the present study, further research would do well to examine the sub-components of the SOC construct in relation to other work-related outcome variables detailed in psychological literature. Further studies that will examine the SOC sub-components could benefit the sense of coherence literature in two ways: Firstly, further research could contribute greater certainty as to whether meaningfulness is the most crucial component of the SOC construct. Secondly, it could provide additional research evidence to support the stance of examining the SOC sub scores in research.

The subjective nature of the psychological climate approach, which was the framework adopted for assessing climate in the current study, could have resulted in a lack of consensus on the measurement of climate, producing moderately significant correlations between climate and change across both companies. Thus in order to gain consensus on members' perceptions of climate, future studies should adopt a collective climate approach, whereby scores representing members' climate perceptions can be statistically checked to ensure that they are reliable and that the discrepancy scores are as well (Joyce & Slocum, 1982). Furthermore, additional studies need to develop a standardised valid, reliable and scientifically recognised questionnaire to measure climate.

Finally, although the climate measure used in the study complies with Anderson and West's (1998) contention that climate measures must be context specific and used with a particular referent (in the context of the current study readiness for change) the analyses conducted in this study reflected a moderately significant correlation with readiness for change possibly due to the fact that the measure was not conducive to mergers. Future studies investigating climate in the context of organizational change, should utilise climate measures encompassing dimensions more reflective of a change process.

Conclusion

Corporate mergers are occurring more frequently today then at any time in the history of commerce (Cartwright and Cooper, 1995). Mergers introduce a kind of chaos in terms of the number of variables changing at the same time, the magnitude of the environmental change and the frequent resistance which create a whole influences of processes that are extremely difficult to predict and control (Burke and Litwin,1992). In light of these complexities, while mergers are often presented as a tonic for ailing organisations, these

interventions have less than a 50-50 chance of being successful (Difonzo & Bordia, 1998). In an attempt to develop and expand on strategies as to how mergers could better be managed, the focus has been on the organisational impact, and scientific patterns of study of human resource concerns have been limited (Cartwright & Cooper, 1993). By their very nature, mergers foster times of uncertainty and insecurity, which often creates significant trauma for both employees and managers, thereby often resulting in attitudinal and productivity problems. As a result there is an increasing interest in and a growing amount of research on the impact of mergers on human resource issues. The current study was located within this conceptual framework, in that it attempted to better understand the human aspect of this phenomenon by specifically focusing on the processes underlying members attitude, specifically their readiness for the change process.

Readiness for change has been identified as an important attitudinal reaction to change among employees (McNabb & Sepic, 1995). Organisational changes will have many different reactions, regardless of whether individuals believe there is a single objective reality to the organisational change or whether they believe the change is socially constructed. One should expect differences in people's attitude and acceptance of change. Dispositional theory suggests that, as coping with change essentially determines the way in which employees adapt to and accept the change process, one might expect differences in attitude owing to genetic difference within the individual (Taylor, 1999). Conversely, a situational approach to change alludes to the possibility that within organisations there may exist different environments, whereby people look for different signs, symbols and actions that will inform their interpretation of the event and thus determine their readiness (Eby et al., 2000). As such the present research incorporates

both a dispositional and a situational approach in examining the influences on employee readiness for change in an attempt to develop a further understanding of this phenomenon. Specifically, the dispositional construct of SOC and the situational construct of organisational climate were chosen as measures of employee readiness for change, which present valuable approaches to employee readiness in the context of mergers.

In summary, the present study revealed interesting findings. Firstly a significantly strong correlation was found between sense of coherence and employee readiness for change across both organisations examined in the study. However, the relationship between organisational climate and employee readiness for change reflected a moderately significant correlation. Finally, the 'meaningfulness' component of the SOC construct was found to be the most influential dimension on employee readiness for change. The results essentially reflect that in the context of the current study dispositions had a significantly strong effect on employee readiness for change.

Both practical and future implications were discussed. The practical implications largely concerned the importance of planning for human issues in mergers, while the future implications proposed a focus on disposition in research and organisational strategies pertaining to attitudinal and behavioral reactions to organisational processes. Finally, several methodological limitations were also examined.