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COLLEGE OF BUSINESS AND ECONOMICS
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**Employees' Reaction to Organizational Change:
The Case of Ethiopian Revenue and Customs Authority**

**A thesis submitted to the School of Graduate Studies of Addis
Ababa University in partial fulfillment of the requirements for the
Degree of Masters of Business Administration**

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DECLARATION

I hereby declare that this work entitled **–Employees’ Reaction to Organizational Change: The Case of Ethiopian Revenue and Customs Authority.**” is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

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This is to certify that the thesis prepared by Genet Eyassu Ambaye entitled: **“Employees’ Reaction to Organizational Change: The Case of Ethiopian Revenue and Customs Authority”** and submitted in partial fulfillment of the requirements for the degree of Master of Business Administration in Management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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Abstract

Examining employees' reaction to organizational change using employees' perception about organizational change variables was the aim of this study. The independent variables are perceived organizational support, perceived procedural justice, perceived fear of consequences of a change, perceived self-confidence for learning and development, perceived trust in management and perceived Need for change and the dependent variable is reaction to change. The study used quantitative data by using survey method and structured survey questionnaires were distributed to 373 (three hundred seventy three) Employees of Ethiopian Revenue and Custom Authority in seven branches were selected by using stratified sampling technique. Beside this simple random sampling technique used to select the employees as respondent. SPSS version 20 also employed to analysis the data. Pearson's correlation matrix was used to show the relationship' between the dependent and the independent variables. The researcher also used multiple regression tools to examine the effects of independent variables on dependent variable. The multiple regression result indicates that, perceived organizational support, perceived procedural justice, perceived self-confidence to learning and development, perceived trust in management and perceived need for change have negative and significant effect on resistance to change while it is positive and significant effect on support to change. Unlike this perceived fear of consequence of change is positive and significant effect on resistance to change whereas it is insignificant to support to change.

Key words: organizational change, attitude, perception, resistance to change, support to change, reaction to change

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List of Acronyms

BPR	Business process and reengineering
BSC	Balanced Score Card
ERCA	Ethiopian revenue and custom authority
FCC	Fear of Consequence of change
ISO	International Organization for Standardization
PNC	Perceived need for change
POS	Perceived Organizational Support
PPJ	Perceived Procedural Justice
RC	Resistance to change
SC	Support to change
SCLD	Self confidence to learning and development
SPSS	Statistical package for social science
TM	Trust in management

CHAPTER ONE: Introduction

1.1 Background of the Study

The contemporary society is marked by confrontation, identification, evaluation, and action process - a process called change (Paton, 2004). In these conditions, the necessity for permanent improvements in performances and continued need for creating new opportunities is likely to cause and/or produce the change. For the organization to survive, it is essential to implement successful change processes (Paton, 2004& Deutschman, 2007). Basically, change is a natural and universal process of the world we live in and is never gone Therefore, the change becomes necessary, inevitable and furthermore is a process of adaptation and evolutionary potential for each person, organization and / or society (Popescu, 2012).

Burnes 2004; Dess/Picken 2000; Tushman/ O 'Reilly (1997) agreed that, an organization's competitive advantage no longer primarily depends on its production facilities or financial strength but rather on its capacity to embrace change and innovate. Similarly Tushman and Anderson (1986) provided evidence that companies that initiate technological change tend to grow more rapidly. Moreover, experts suggest that organizations with successful change management strategies are more likely to survive and thus more likely to provide sustainable employment for their workers. (Picot et al.1999). Therefore, the effectiveness of organizations change management is connected with organizational performance and is very essential for competitive advantage.

Change management can be defined as the introduction and management of initiatives designed at renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers (Moran Brightman, 2001).

However, one of the most difficult problems organizations face is dealing with change. In today's rapidly changing, highly competitive environment, the ability to change rapidly, efficiently, and almost continually will distinguish the winners from the losers. (Armenakis and Bedeian , 1999) argues that employees are ultimately responsible for executing change initiatives, and change succeeds or fails depending on employee behavior. Thus, Employees reaction to organizational change is one of the important issues in change management studies. Employees may have a

positive or negative perception/attitude towards change. Employee attitudes and behaviors to accept organizational change is considered important for management and change agents for successful organizational change (Armenakis et al., 1993; Bernerth, 2004). In fact, organizational change examines the capabilities of managers, employees and work environment. It affects employee attitudes and behaviors because of transferring a situation from the known to the unknown which can build up uncertainty, strain and anxiety among employees. (Naimatullah and Zahir, 2010)

There are factors that influenced employee's reaction to organizational change that made employees to support or resist the change initiatives among these perceived organizational support, perceived procedural justice, fear of consequences of a change, self-confidence for learning and development, trust in management and perceived need for change are the factors that influence employee reaction to organizational change. Accordingly the researcher examined employees' reaction towards organizational change based on their perceived behaviors.

1.2 Statement of the Problem

Today's fast-moving environment requires organizations to undergo changes almost constantly (Jones & Brazzel, 2006; Kotter, 2010). Working on change organizations relate it to the continual flow of organizational change in order to carry out to do their work more successfully and competently (Edgelow 2010) Change is now becoming the global challenge for every organization because of technology, economic and worldwide modifications that enforce organizations to change. Changes in the organization are necessary with the passage of time through which organizations can gain edge in the market or at least can survive in the rapidly changing market (Denning, 2005).

However, Scholars in the field of organizational change generally agree that change initiatives tend to fail more often than they succeed. Applebaum (2012) found failure of change initiatives to range from 30% to 80%, while Kotter (1995) estimated that approximately 70% of all organizational change initiatives fail. Herold and Fedor (2008) estimated that only around 20% of change initiatives were successful, therefore, failure rate was somewhere between 67-80%. Jones et al. (2008) claim that one of the key reasons for this high failure rate is resistance to

change from employees. Kotter (1995) also claims that the biggest factor in failed organizational development is the human factor, i.e. attitudes, behaviors and responses by the change recipients.

The case in our country, Ethiopia, change implementation and management activities was prominent since 1994 when result based performance management system implemented however; it is strengthened with the implementation of Business Process Reengineering (BPR) Moreover subsequent change tools were implemented in the public firms afterwards. These include BSC, ISO Standards, and other change management strategies. Although some change management studies exist in our country they give little concern to employees' reaction towards organizational change rather most of them focus on change management tools such as evaluation on BPR implementation by (Tesfaye Debela, 2009, Hailekiros Sibhato & Ajit Pal Singh, 2012) the other research conducted by (Dereje Tulu, 2011) was focus on ISO 9001 certification (Fetiya Ahmed, 2015) also assesses implementation of BSC and strategic planning .accordingly as per the researcher knowledge the researcher didn't found a recent study conducted on employees reaction to change. Accordingly the researcher motivated to investigate this prominent point.

With preliminary assessment conducted the researcher came to know that ERCA has implemented change tools after 2009 which may include BPR, BSC, and ISO Standards. As the researcher's observes informally before conducting the study there is a problem in understanding employee's perception before implementing the change initiatives. Therefore, undertaking this topic in ERCA was worth enough to the researcher. Accordingly this study examined employees' reaction to organization change

1.3. Research questions

The research questions addressed in this study are following:

- To what extent Employees demographic difference affect their reaction to change?
- To what extent perceived organizational support affect employee's reaction to change?
- To what extent perceived procedural Justice affects employee's reaction to change?
- To what extent employees' perceived fear of consequences of a change affect their reaction to change?

- To what extent employees' perceived self-confidence for learning and development affect their reaction to change?
- To what extent employees' perceived trust in management affect their reaction to change?
- To what extent employees perceived need for change affects their reaction to change?

1.4. Objectives of the Study

1.4.1 General objective

The general objective of this study is evaluating employees' reaction to organizational change in Ethiopian revenue and customs authority.

1.4.2. Specific objectives

- To examine the effect of employees demographic difference on their reaction to change
- To examine the effect of perceived organizational support on employee's reaction to change
- To evaluate the effects of employees perception about procedural justice on their reaction to change
- To know the effects of employees perceived fear of Consequences of a change on their reaction to change
- To examine the effects of employees perceived self-confidence for learning and development on their reaction to change
- To evaluate the effects of employees perceived trust in management on their reaction to change
- To examine the effects of perceived need for change on employees reaction to change

1.5. Significance of the Study

Impact assessment studies are of immense importance to all stakeholders participated during planning the program and to those parties mentioned as beneficiaries of the program. Accordingly, different stake holders and upcoming researchers can make use of the outcome of this research. The former parties can make an informed decision based on such study results. Moreover, beneficiaries are interested on the results such studies as it has a potential to uncover

deficiencies which in turn contributes towards improvement of the service they get from the authority. The other valuable reason for conducting this study was the researcher believes the outcomes of the study will actually help ERCA managers to understand their employee's reaction towards the changes from the change initiatives which implemented before and if there was a negative employee's response, this finding will lead them to build positive perception. Lastly, other researchers can make use of the paper as a reference to frame and support their works.

1.6. Scope of the Study

The issue that evaluated by the researcher was employees reaction to organizational change in ERCA Addis Ababa branches. The study used prominent variables which include; Employees demographic variables, perceived organizational support, perceived procedural justice, perceived fear of consequences of a change, perceived self-confidence for learning and development, perceived trust in management and perceived need for change.

1.7. Limitation of the study

Because of the wideness of change management issues it is difficult to cover the whole content of change management aspects; this research is constrained on employee's perception variables only. It would be good for the researcher to include the change implementation process, technological change, and other change management aspects. Additionally, there are other variables which has a mediating role (i.e. communication, psychological contract, etc) can be considered for the study other than focusing on the direct effect of six variables which are perceived organizational support, perceived procedural justice, perceived fear of consequence of change, self confidence for learning and development, trust in management and perceived need for change. Furthermore the study is limited to ARCA in Addis Ababa. However, the finding of the study will contribute for better understanding of employee's perception and their reaction to organizational change.

1.8. Organization of the Study

The study is organized in the following ways. The first chapter is about introduction in which change management concepts are introduced on the background of the study, the research gap is

stated in statement of the problem, research question, objectives of the study, significance, scope and limitations of the study also included in this chapter. In the second chapter, theoretical literatures which cover issues related to change management variables and Employees reaction to change and empirical researches are reviewed. In the third chapter, research methodology of the study which includes research design, method, sampling design and data collection and analysis methods are included. In chapter four data analysis, presentation, discussion and summary are done. The last chapter, chapter five, provides conclusions, recommendations and direction for future research on the basis of the finding of the study.

Chapter Two: Literature review

2.1 Introduction

Theories and models of organizational change is the first part of this literature review followed by content, process, context and reaction issues, types of organizational change, employees' perception towards organizational change, employees' attitude towards organizational change, are also discussed in this chapter. Furthermore human part of organizational change, resistance, why people accept or welcome change, theoretical framework, research variables, empirical framework and lastly conceptual model are also included in this part.

2.2 Theories and models of organizational change

Many approaches and models have been developed regarding organizational change. Here the two well known models are explained. The first approach is a planned organizational change model. One of the corner stone models to help understand organizational change was developed by social scientist and physicist Kurt Lewin in the 1950s. The model known as unfreeze- change - refreeze, is a three step process of change and uses the analogy of changes in the shape of a block of ice. The first step unfreeze involves a preparation of the organization to accept the need for change and as part of this the existing way of doing things should be broken down so that a new way of operating can be built up. During the second stage (change) people start looking for new ways to do things as their uncertainty resolves and they act in a way to support the transformation. As part of the third stage (refreeze) the organization should make sure the changes are incorporated into everyday business and they are used all the time so that the new sense of stability can make people confident and comfortable in the new environment. (Dennis and Andrew 2010)

A second approach emphasizes the process of change. Kotter introduced the eight-step change process model that organizations go through: (1) establishing a sense of urgency; (2) creating the guiding coalition (combination); (3) developing a vision and strategy; (4) communicating the change vision; (5) empowering broad-based action; (6) generating short-term wins; (7) consolidating (combine) gains and producing more change; and (8) anchoring (fix) new approaches in the culture. Emphasizing the critical need for leadership to make change happen,

Kotter stressed that the successful transformation is 70–90% leadership and only 10–30% management.

2.3. Content, process, context and reaction issues

As cited on Vithessonthi (2005) the wide range of past research on organizational change has focused on four main categories. One category has to do with content issues, and it mainly focuses on factors related to successful or unsuccessful change attempts (Hambrick and Schecter, 1983; Barker and Duhaime, 1997). Another category concerns process issues, mainly focusing on steps, phases, or actions undertaken during the implementation of an intended change (Kotter, 1995). An additional category deals with context issues, focusing on internal or environmental forces or conditions affecting a change in an organization (e.g., Schendel and Patton, 1976; Robbins and Pearce, 1992). The final category concerns reaction issues, and it focuses on employees' responses to organizational change (Patterson and Cary, 2002).

2.3.1. Content issues

Robertson et al. (1993) and Macy and Izumi (1993) have analyzed the research investigations unpublished in the change literature beginning as early as 1961. Among the content issues included in these organizational change publications are changes in structure, human resource practices, technology, total quality management, social issues, and physical settings. These content models describe the management and organizational factors that relate to an organization's performance. Hence, if the organization is not performing to a predetermined standard, then changes in some or all of these factors should result in improved organizational effectiveness.

2.3.2. Process issues

The change process is the how factor of change. More specifically, the process variable embodies the specific methods utilized to implement a change. Process encompasses the phases through which successful organizational changes progress. The basic model was proposed by Lewin (1947) comprising unfreezing, moving, and freezing phases. Kotter (1995), Galpin (1996) and Armenakis et al. (1999) have elaborated on Lewin's basic model for practitioners to use as frameworks for introducing organizational changes. Thus, these models reinforce that the way in

which change agents introduce change will certainly affect the reaction of the employees to these changes.

2.3.3. Context issues

Pettigrew (1987) points out contextual factors are the why part of change – they explain why the change is necessary. It deals with context issues, focusing on internal or environmental forces or conditions affecting a change in an organization (e.g., Schendel and Patton, 1976; Robbins and Pearce, 1992).

2.3.3.1 External drivers of change

A useful tool to examine the external drivers of change involves the PESTLE taxonomy. The earliest known reference to a framework for describing the external business environment is by Aguilar (1967) who presents ‘ETPS’ as a mnemonic to represent the four sectors: Economic, Technical, Political, and Social. Variations of this include ‘PEST’ and ‘PESTLE’, which adds the Legal and Environmental dimensions As Pettigrew (1987) points out contextual factors are the why part of change – they explain why the change is necessary.

2.3.3.2. Internal drivers of change

Internal substantive context was described by Mowday and Sutton (1993) as organizational conditions external to individuals that influence their beliefs, attitudes, intentions, and behavior. Not all organizational change can be attributed to managers responding to a business environment comprising external factors. Internal drivers of change can also play a major role in initiating change and these include: new leadership ,new strategy ,new structures, new business model, organization growth, redesign of jobs, redesign of business processes, outsourcing, change of location installation of new technology and systems, changes to employees‘ terms and conditions, being acquired or merged with another organization, Redundancies. These changes can be and often are influenced by external factors but they can also be triggered by decisions which are not made as a response to changes in the business environment. (Pettigrew 1987)

Johns (2001) contends that internal context might be responsible for explaining why a change initiative did not produce favorable effects, even though the change agents employed appropriate tactics.

2.4. The different types of organizational change

As cited in Jeaw et.al (2013) Managers continually face choices about how best to respond to the forces for change. There are several types of change that managers can adopt to help their organizations achieve desired future status. In general, the types of change fall into two broad categories: evolutionary change and revolutionary change. Evolutionary change is gradual, intermittent, and narrowly-focused (George, & Jones, 2007; Miller, 1980/1982). Its main purpose is to make continuous improvement in order to adjust to the environment changes (Weick, & Quinn, 1999). Revolutionary change is rapid, dramatic, and broadly focused.

It often happens when the current operation method can no longer fulfill the demand of the external environment, and a significant change has to be made in a short period of time to keep the organization work. The most widely known types of evolutionary change is socio-technical systems theory, total quality management, and management by objectives (George, & Jones, 2002; Yang, Zhou, & Yu, 2009). There are also three important types of revolutionary change: reengineering, restructuring, and innovation (George, & Jones, 2002).

2.5. Employee's perception towards organizational change

Hodgetts and Hegar (2005) define perception as a person's view of reality which is influenced by the person's values. Schermerhorn, et al (2004:71) offer a different definition of perception as "the process by which people select, organize, interpret, retrieve and respond to information from the world around them". This information is obtained from the five senses (sight, hearing, touch, taste and smell). Ongaga, (2012) it indicates that individuals pass through a step of processes to reach their decision. Cited in kleanthis athanasios sofia (2014) also define Perception is the process by which an employee organizes and interprets his/her impressions in order to give meaning to his/her environment and thus, it influences significantly his/her workplace behavior (Langton & Robbins, 2006). The evidence suggests that what individuals perceive about their work situation influences their attitudes and behavior during organizational change. Thus,

employee perceptions will lead to either resistance or acceptance of change. (e.g. Coghlan, 1993) Thus when organizations plan to implement the change first they need to think about employees perception for that change initiative and it help them to take action when employees perceive the change negatively. Saunders and Thronhill (2003) argue that it is likely that employees will perceive the changes as threatening, because of feelings of being defenseless and fear of losing security. They can face difficulties in accepting and adjusting to the new environment.(jenske, 2010/11) it implies that employees face difficulties to adapt new environment and since will resist it. And they will show negative attitude to the change. As cited in Guttormur &Margret (2013) change is new for employees they Perception is a related concept to attitudes, and generally attitudes are believed to influence perceptions. " For example, an employee who has a generally negative attitude towards change initiatives will be influenced by the way he/she perceives the change. Again, it is up to the change initiators and leadership to develop and encourage more favorable attitudes and perceptions amongst employees. This requires a focus on the individual within the organization, instead of just a focus on the processes within the organization itself (Lindsay & Norman, 1977). Traditionally, organizational efforts have tended to focus on processes within the organizations, more than how individuals react to change. That perspective has however been criticized, as some claim that a more individual-centric approach is needed in order to successfully understand changes within organizations (Oreg et al., 2011).

The research on the roles and effects of perceptions on people's decisions and behaviors is yet to be completed, and the search for a better understanding of various perceptions on employees' behaviors such as turnover or commitment in the field of human resource management continues its momentum. However, empirical research has begun to show that in organizational settings, certain perceptions such as the perception of uncertainty are associated with people's behaviors. An empirical study by Ashford and colleagues (1989), for example, has shown evidence for a positive relationship between perceived job insecurity and intention to quit. Another empirical study by Eisenberger, Fasolo and Davis-LeMastro (1990) has demonstrated that employees' perceived organizational support is related to various attitudes and behaviors found that perceived procedural justice concerning the divestment activities of the firm is positively related to post-divestment commitment to the firm. . (Gopinath and Becker 2000)

Ansoff and McDonell (1999) states that during resistance inducing changes, the gap between perception and reality can substantially and unnecessarily increase the level of resistance to change. Perception of change will determine whether it is viewed as a threat or as an opportunity within the organization and this will determine the support, commitment, buy-in or resistance portrayed by the staff. Johnson and Scholes,(2004; 2007), state that a change starts with the perception of its need, and a wrong initial perception will be the first barrier to change. Managers effecting change underestimate substantially the extent to which members of the organization understand the need for change, what it is intended to achieve and what is involved in the changes. They further state that members of an organization need to make sense of what is happening themselves. Perception of members of an organization is important in that when well analyzed and executed, it should furnish or make available to management critical information on which decisions impact on organizations success on the side of employees or other stakeholders (Owidi, 2006). As cited in (Mulat, 2013).

2.6. Employees Attitude towards change

Ali & Sayyed (2012) stated that, an attitude is referred to as a hypothetical construct representing an individual's degree of like or dislike for an item. Attitudes are generally positive or negative views of a person, place, thing, or event these views are often referred as the attitude object. In this instance the attitude object is referred as the individuals“ view of the change” and is not a physical entity independent of the individual (Visagie, 2010). The definition given by Elias (2009) attitudes towards organizational change as an employee's overall positive or negative evaluative judgment of a change initiative implemented by their organization. Bianey, Ulloa and Adams (2004), also define attitudes towards change as the internal state that influences individual's choices of personal action, or a response tendency towards the change. Attitudes towards change may be defined as certain regularities of an individual's feelings, thoughts and predispositions to act towards some aspect of his or her environment (Visagie, 2010).

As stated in guttormur, margret, (2013) taken The study of attitudes and perceptions dates back to the 1930s, and has long been a staple of the social psychological tradition. The term attitude has been defined as "a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor" (Eagly & Chaiken, 1993). For example, an employee may

have certain pre-determined attitudes towards organizational change, which might influence the way he/she perceives change initiatives. It is then up to leaders to manage those attitudes, and form new favorable attitudes towards the process. Rebeka, Indradevi (2015) states that, The capabilities of managers, employees and work environment are examined by organizational change that affects employee attitudes and behaviors by turning a situation from the known to the unknown. Some researchers focused on change that may have a serious negative impact on employee attitudes (Weber & Weber, 2001). Therefore, creating employee positive attitudes boosts the readiness of employees as an important factor for successful organizational change (Rafferty & Simon, 2006; Bareil et al., 2007). There are two important aspects of attitude: one of them is a belief aspect that uses cognitive processes to describe an object and its relation to other objects, the other is an affective aspect that leads to liking or disliking an object. (Vithessonthi 2005) therefore, after describing and understand the things employees will decide to like or dislike it the same is true for change in the organization employees will pass through cognitive process and then they will have positive or negative attitude to the change.

Change is concerned to solve the problems and challenges of the organization. It might be small or large but affects employee attitudes and behaviors because of shifting from one stage to another. This particular situation can develop uncertainty, strain and anxiety among employees. A review of the literature undertaken by these researchers has revealed that an individual's attitudes and behaviors towards organizational change are influenced by employee readiness factors (Naimatullah, Zahir, 2010)

2.7. Human part of organizational change

Cited in Garman Erwin (2010) The results of a recent survey of 1,536 executives involved in a wide variety of change initiatives indicated that only 38 percent thought these initiatives were successful and only 30 percent thought they contributed to the sustained improvement of their organizations (Isern and pung, 2007) Resistance to change is often cited as a reason for difficulties in implementing and the failure of change initiatives. For example, (prochaska et al, 2001) cite a Deloitte and Touche survey of 400 organizations indicating resistance to change as the number one reason for failures of organizational change initiatives. (Bovey and hede 2001) cited numerous studies including one of 500 Australian organizations indicating

resistance as the most common problem faced by management in implementing change. It indicates that, people in the organization are the most important factors for the success or failure of change initiatives. Managers need to take Employees as valuable resources in the organization when they plan to implement change. Because only employees are execute and implement the change initiatives. Change management is about helping people through change (Hiatt and Creasy, 2003).

The classifications of change can be pooled into two dimensions namely the business dimension and the people dimension of change. To achieve change, the organization's management must be prepared to get people to understand that the changes being introduced are good and desirable and refers to this as the human dimension of change. The people dimension of change involves the alignment of the organizations culture, values, people and behaviors to encourage the desired results and addresses how employees experience and cope with the change process. Johnson and Scholes (2007) refer to people as being at the heart of strategy and further acknowledge that the knowledge and experience of people can be the key factors enabling success of strategies.

In the past, employees' feelings and contribution to the organization was not viewed as very important. However, in the early 1930's, the Human Relations Approach theory was advanced as a result of the experiments that were done by Elton Mayo which came to be known as the Hawthorne experiments. These experiments helped managers to see the importance of the employees and the necessity of putting their feelings into consideration. The experiments showed that when workers felt that they were getting attention from management, their productivity increased. This helps us to understand the importance of employees to an organization and the approach an organization should adopt with them even when affecting any kind of changes. (Olive, 2013)

Stassen (2006) suggests that many managers argue that they are individuals themselves and they know exactly what the needs, issues and concerns of people are during transformation. This is the first mistake managers can make. People have their own needs, fears, concerns and problems and it is naive to think that people can be managed in the same way during transformation, hence the need to have change management specialists on board to manage the people side of change accordingly managers must use different mechanisms to make employees feel they are valuable

to implement the change initiatives by contributing their effort. As it involves values, preferences, and attitudes toward a particular activity human part of the organization becomes a major challenge in handling change processes in the organization. It is difficult to change attitudes as people are generally more comfortable with what they have learned or knew due to stereotyping, fear of taking risks, intolerance to ambiguity, and possibly the need to maintain tradition (Carnall, 1990). For any change to be effective, people's beliefs, and attitudes must be challenged and clarified because significant and sustainable change relies on the human system at the core of every business system (Juechter et al., 1998).

2.8. Resistance

The present study answers Piderit's (2000) call and defines resistance as a tridimensional (negative) attitude towards change, which includes affective, behavioral, and cognitive components (Mulat,2013) In an organizational setting resistance is defined by Block (1989) as –an expression of reservation which normally arises as a response or reaction to change”.

Resistance to change has been identified as a negative and undesired response for organizations because it can lead to failures of change efforts (Martin, 1975); Employees have a lot of reasons to resist the change. As stated in Bertsch, Saeed, Singh (2012) when change initiatives are implemented within an organization, employees may experience considerable anxiety about letting go of the known and moving to an uncertain future. People may be unsure whether their existing skills and contributions will be valued in the future. They may also have significant questions about whether they can learn to function effectively and to achieve benefits in the new situation (Tichy, 1993). This resistance to change can be divided into three main classifications: technical resistance, political resistance, and cultural resistance. Technical resistance is derived from the habit of following common procedures and the consideration of past effort in maintaining the status quo. Political resistance is a type of resistance that arises when organizational change threatens powerful stakeholders, such as top executives. Political resistance often arises due to an implied change in the allocation of scarce resources, such as capital, budgets, and quality employees. Cultural resistance takes the form of systems and procedures that reinforce the status quo, promoting conformity to existing values, norms, and assumptions about how things should operate (Cummings & Worley, 2005).

Barnard, Stoll (2010) stated that Fundamental to the success of organizational change is the acceptance of the change by employees. Within this context, the work of Kubler-Ross (1973), who argued that all humans go through 5 stages of grief (denial, anger, bargaining, depression and acceptance) when faced with a loss or change, has been seen as relevant and has been applied to the management of organizational change. Wiggins (2009) uses the model to help guide communication and support during the period of change, which she suggests should be tailored to the stage of change that the employees have reached. For example, after the news of change is delivered, employees need to be given information to tackle their denial. Once the information has sunk in and they experience anger, bargaining and depression they require various kinds of support. Once employees have begun accepting the situation they need a vision to put their commitment into.

As cited in, Fugate et al. (2008) In examining the negative relationship generally found between organizational change and employee attitudes, research has used concepts such as uncertainty (Ashford 1988) and the related loss of control (Ashford et al. 1989) as well as fear of failure (Nadler 1982) and disruptions in sense making (McKinley/Scherer 2000) as explanations for employee resistance (Herold et al. 2007). Uncertainty is likely experienced by employees in relation to a number of organizational issues such as the process of change implementation and the expected outcomes of the change (Jackson et al. 1987; Buono /Bowditch 1989). Potentially even more importantly, employees may experience uncertainty regarding the security of their position as well as their future roles and responsibilities (Bordia et al. 2004). Studies based on control theory (Frey /Jonas 2002) show that it is not only the extent to which a person can in fact influence an event that strongly influences his/her emotions and well-being, but also the degree to which imminent events are predictable and explainable for that person (cf. Fischer et al. 2007; Greitemeyer et al. 2006).

In his comprehensive investigation of resistance to organizational change Oreg (2006) conceptualized employee resistance as a multifaceted construct. Specifically, he distinguished between three types of resistance: affective (positive and negative feelings towards the specific change), cognitive (evaluation of the worth and potential benefit of the change), and behavioral (intentions to act against change).

Karamjeet, Seed & Aandy (2012) it is common knowledge that many employees will resist change. Their resistance and their choices influence the success of any organization's change projects. Employee resistance has a great impact on productivity, employee morale, and ultimately employee turnover. When change initiatives are implemented within an organization, employees may experience considerable anxiety about letting go of the known and moving to an uncertain future. People may be unsure whether their existing skills and contributions will be valued in the future. They may also have significant questions about whether they can learn to function effectively and to achieve benefits in the new situation (Tichy, 1993).

Empirical evidence points to the fact that employee resistance is an important predictor of a number of work related variables that impair effective organizational functioning (Wanberg/Banas 2000). Among the outcomes most frequently cited are lower levels of job satisfaction and commitment, as well as stronger withdrawal intentions and increases in sick time

Negative employee reactions to organizational change can have serious implications for change effectiveness and organizational competitiveness (Spreitzer/Mishra 2002). As cited in (Fugate et al, 2008).

2.9. Why People Accept or Welcome Change

While some people resent and/or resist change, others accept and welcome it. The degree to which these opposites occur depends on many factors. Ashford, Rothbard, Piderit, & Dutton (1998) indicated that one reason is that employees accept change in order to get top management to pay attention to issues that employees believe must be addressed in order for the organization to maintain high performance. Porter and Lawler (1968) suggested that how much effort an individual will expend in accepting change is determined by expectations that an outcome may be attained and the degree of value placed on the outcome in the person's mind; thus, employees may accept or welcome change when they see a clear benefit to doing so. Therefore, a person's attitude towards change comes from his or her perception of the outcomes of a change, compared with the individual's goals and values. (Chuang, 2001)

On the other hand said, positive attitudes and behaviors towards organizational change is on the basis of work place factors. These aspects of employee connected with the nature and quality of

relationships between employees and an organization. This approach quite shows the individual's attachment in order to beliefs, willingness, and desires to maintain membership of the organization (Oliver 1990,)

Reasons for a positive reaction to change, then, include: Personal gain, More income More authority, More status/prestige, More responsibility, Better working conditions, Increased personal satisfaction, Better personal contacts, A new challenge – (the expectation of more rewarding work), Less time and effort (Another reason why change may be welcome is if the change actually makes the job easier and requires less time and effort) Effective communication. (Chuang, 2001)

2.10. Theoretical framework

2.10.1. A social exchange perspective

According to many academics, coordination and cooperation in organizations are primarily a matter of reciprocal exchanges between employees and employers (Blau, 1964; Homans, 1961; March & Simon, 1964). Employers offer material and immaterial work conditions to employees and in turn, employees reciprocate organizational efforts by working hard. In other words, the employment relationship can be viewed as consisting of social and/or economic exchanges (Eisenberger et al., 1990; Gould-Williams & Davies, 2005). Anthropologists have demonstrated that relationships between individuals are also a matter of reciprocal gifts (Caillé, 1997; Mauss, 1985 [1950]): –Social exchange theory highlights the importance of understanding employees' motivation and its relation to the achievement of organizational goals. Such approaches to organizational behavior incorporate employees' motive to carry out specific activities within the mutual obligations between employees and employers" (Aselage & Eisenberger, 2003)

There are different theoretical conceptions of social exchange do exist, one is organizational support theory (OST) (Eisenberger et al., 1990; Rhoades et al., 2001; Shore & Coyle-Shapiro, 2003) According to the organizational support theory (OST), employees perceive favorable or unfavorable treatment from their organization and develop feelings of obligation or dissatisfaction towards their organization accordingly they perceive their organization's treatment of them as an indication of the –extent to which the organization values their

contributions and cares about their well-being” (Aselage & Eisenberger, 2003). In other words, favorable work experiences may create a feeling of organizational support. Thus, perceived organizational support is built according to favorable work experiences that employees may encounter in their organization.

The other concept of social exchange theory is procedural justice. Social exchange theories deal with how people form relationships and how power is dealt with in those relationships. Blau (1964) posited that relationship formation is one of the basic problems of social interaction that must be resolved for society to remain stable. Procedural justice refers to an exchange between the organization and its employees. According to previous research, formal procedures are usually established by upper management and written on behalf of the organization acting as a corporate body (Cropanzano, Byrne, Bobocel, & Rupp, 2001). When employees perceive these procedures as fair, they “repay” the firm by forming more positive attitudes toward the overall organization (Cropanzano et al., 1997; Masterson et al., 2000; Randall et al., 1999). Social exchange relationships are based on individuals trusting that the other parties to the exchange will fairly discharge their obligations in the long run (Holmes, 1981).

Trust is also necessary for maintaining social exchange, According to (Blau, 1964) trust provides the basis for relationship formation. Trust is a multi-dimensional construct and includes factors such as an expectation that another party will act benevolently, belief that one cannot control or force the other party to fulfill this expectation, and dependence on the other party (Whitener, Brodt, Korsgaard, & Werner, 1998). Although trust is a key element in the emergence and maintenance of social exchange relationships, in organizations, managers can have considerable impact on building trust (Whitener et al., 1998). Fair treatment by management can create feelings of trust by removing fears of exploitation (Lind, in press). Fair treatment by management also demonstrates respect for the rights and dignity of employees, leading to the development of trust (Folger & Konovsky, 1989).

2.10.2 Uncertainty management theory

Organizational change and pressures of discontinuity create uncertainty and threats to employees’ well being (Terry et al., 2001). When new strategy, a new product or new structure is

introduced employees are often subjected to new roles and responsibilities. The question of whether or not this new role will be fitting to the current one can cause role strain, and is a major source of employee's anxiety, stress and uncertainty (Carnall, 2003, pp. 240–240). A critical component of the emotional state associated with change is a sense of loss. In the initial stages, when little is known about the change initiative, people have limited knowledge of the proclaimed benefits. Sometimes the only thing that is certain is the knowledge of discontinuity. Thus employees only know what they will lose, not what they will get (Buller, 1988).because of these reasons employees lead to fear of consequence change. Dubrin and Ireland (1993) noted that resistance to change is attributed to employees' fear of poor outcomes, the unknown, and realization of pitfalls with the change.

Van den Bos (2001) serves as the theoretical foundation for positive change orientation. Reductions in uncertainty are associated with more positive employee perceptions and behaviors (Lind & Van den Bos, 2002) and improve employee reactions and change-related outcomes (e.g., Rafferty & Griffin, 2006). From these indicators of the latent positive change orientation construct is change self-efficacy (e.g., Jimmieson, Terry, & Callan, 2004), Change self-efficacy. Employees with high levels of change-related self-efficacy believe they have the ability to deal with change-related demands and that they can function effectively during the change process (Jimmieson et al., 2004). Ozer and Bandura (1990) explicate a specific relationship between self-efficacy and threat appraisal when noting that threat is not a fixed property of situation events rather, threat is a relational property concerning the match between perceived coping capabilities and potentially hurtful aspects of the environment. People who believe they can exercise control over potential threats do not conjure up fearful cognitions, and, hence, are not disturbed by them

2.10.3. Organizational decline model

Perceived need for change is one of the important factors which affect employees' reaction to change. Weitzel and Johnsson (1989) suggested a model that portrays five stages of organizational decline from the early stage of decline to the demise of organization as follows: the blinded stage, the inaction stage, the faulty action stage, the crisis stage, and the dissolution stage.

One plausible interpretation on Anderson and Paine's (1975) definition of a perceived need for change and on Weitzel and Johnsson's (1989) model of organizational decline is that for organizational change to be perceived as needed, one condition must be fulfilled: that is, a currently planned program of actions is less likely to be fulfilled, subsequently resulting in lower performance. In this sense, it may suggest that people (e.g., top managers and employees) may perceive that their organization needs to change when viewing that a considerable threat to certain aspects of the organization exists.

2.11. Research variables

The sixty years quantitative studies reviewed by Org et al (2007) identifies factors that affect employees' reaction to organizational change which includes that pre change antecedent, change antecedent and change consequence. There are numerous variables within these three factors. Such as change recipient characteristics, internal context, change process perceived benefit/ harm are included in these three factors. The variables that examined in this study are discussed below.

2.11.1. Perceived Organizational support.

Perceived organizational support as stated by Eisenberger et al (1986) is one of the internal contextual variable that can influence the success of a change effort. Previous studies have suggested that perceived organizational support is related to a wide array of work-related attitudes and outcomes (Eisenberger, Fasolo and Davis-LaMastro, 1990). Contrarily, organizational members who perceived their work environment as generally unsupportive were more likely to possess cynical reactions, suffer from negative emotions, and ultimately reject the change (Kiefer, 2005; Martin et al., 2005; Stanley et al., 2005). Accordingly, if perceived organization support is correlated with certain decisions of employees, we would then expect that employees are more likely to take into account perceived organizational support when making decisions regarding whether to resist or support organizational change. Based on the social exchange theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960), which have been widely used for research on the relationship between organizations and employees, it can be reasoned that employees' perceived organizational support affects their feeling of obligation to their organization. Based on the norm of reciprocity, employees tend to respond positively to favorable treatments from

their employer, or they feel obliged to help those who helped them, implying a positive norm of reciprocity (Gouldner, 1960).

According to Eisenberger, (1986), in order to meet socio-emotional needs and to assess the benefits of increased work effort, employees form a general perception concerning the extent to which the organization values their contributions and cares about their wellbeing. Such perceived organizational support tends to be related to an increase in

Employees' felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance would be rewarded. In other words, perceived organizational support is influenced by various aspects of an employee's treatment by the organization and, in turn, influences the employee's interpretation of organizational motives underlying that treatment.

The benefits of perceived organizational support often are understood in reciprocal terms, that is, an employee who sees the employer as supportive is likely to return the gesture. When perceived organizational support is high, workers are more likely to engage in organizational citizenship behavior. (Marci Pernica, 2011)

2.11.2. Perceived Procedural Justice

Perceived procedural justice is included in change process factors and it more likely related with employees reaction to change. In particular, several studies linked interactional and procedural justice with reactions to organizational change (Armenakis et al., 2007; Bernerth et al., 2007; Paterson & Cary, 2002). As stated in Korsgaard, Sapienza, & Schweiger, (2002) Procedural justice was associated with higher acceptance, readiness, and commitment to organizational change.

Employees have significant roles in various decision making processes in the organizations. It is sometimes questioned whether the decisions towards employees are fair or not (Colquitt et al., 2001). The behaviors of employees toward justice became an area of study by the increasing importance of concept of justice in the organizations (Greenberg, 1990). It is generally observed that the recent organizational theories focused mostly on the interpersonal interactions and the

problems based on these interactions. In this context, it is seen that the concept of “social justice” is adapted to organizations and accordingly the concept of “organizational justice”, which refers to the just distribution of organizational outputs depending on organizational relations, has been developed concurrently (Özmen et al., 2007). Similarly, points out the adaptation of the concept of justice into organizational justice and emerging of it as an important field of study in industrial and organizational psychology (Eberlin and Tatum, 2008; Bolat, 2010). The fundamental point about the organizational justice is its necessity for the workers personal satisfaction and effective functioning of the organization and to see the absence of organizational justice as a source of problem. Despite the redundancy of studies in the field of justice in the last twenty years, the valid theoretical data today mostly depends on the Equity Theory of Adams in 1965 (Karriker and Williams, 2009). According to this theory, individuals in the organizations always tend to compare their efforts and gains with the others' efforts and gains (Mehmet & Hasan 2011).

Organizational justice has four types these are distributive, procedural, interpersonal, and informational justice. Distributive justice refers to the distribution of outcomes, i.e. people expect the output to be distributed in accordance with their input. However, this expectation can often not be met when changes are introduced. It is therefore even more important to observe procedural justice in managing organizational changes. Procedural justice is concerned with the way in which results were achieved and the criteria that were applied. Meta-analyses of numerous studies show close connections between procedural justice and job satisfaction, performance, organizational commitment and trust (Colquitt et al. 2001). Accordingly, procedural justice has a major influence on the acceptance or resistance of change processes.

As described in Mehmet and Hasan (2011). Recent research data point out that workers react to the decisions that affect them and they are affected by the processes which cause to these decisions. In other words, employees are interested in procedural justice and they try to understand the procedures ending up the decisions made. According to (Folger and Konovsky 1989) procedural justice is the perception of the processes which are used to determine the decisions. In short, it is about the perceptions of justice related with the decision making processes (Konovsky, 2000). Similarly, (Brockner 1996) found that positive individual views of processes and procedural justice were linked to higher levels of trust in the organization and supervisor. Moreover, these authors found that genuinely fair procedures moderated the impact

of negative reactions, such as mistrust, that arose from decisions leading to undesirable employee outcomes.

2.11.3. Fear of consequences of a change

Fear is often considered as a factor that triggers employees' resistance to change (Agocs, 1997, Kotter and Cohen, 2002). But why is this so? In the case before us, where the organization is trying to undertake organizational change, which is intended to improve organizational performance, fear of known consequences of a change becomes a barrier to employees' acceptance of change, because it exerts a negative effect on any person's rational thinking. If we accept the notion that fear can affect our thinking and reasoning, we might expect that fear can also affect our decision-making in general and our decision-making concerning a reaction to change in particular. It is not hard to observe that researchers have associated fear with resistance to change. For example, Dubrin and Ireland (1993) noted that resistance to change is attributed to employees' fear of poor outcomes, the unknown, and realization of pitfalls with the change. In the same vein, Kotter and Cohen (2002) posited that fear or panic drives self-protection or immobilization.

Anticipation of negative or positive outcomes will lead employees to fear the change initiatives. on several occasions, researchers considered change recipients' reactions to changes that entail negative outcomes, such as downsizing, a greater workload, increased job complexity, or loss of job control. In these cases, change recipients tended to experience greater stress and psychological withdrawal (Ashford, 1988; Axtell et al., 2002; Fried et al., 1996), were less open to accept changes (C. E. Cunningham et al., 2002), and exhibited lower levels of job satisfaction and involvement (Hall, Goodale, Rabinowitz, & Morgan, 1978) and lower levels of perceived person–job fit (Caldwell et al., 2004; Susskind et al., 1998), following the change.

There are numerous explanations for a question of why we react negatively to an object or idea while we fear such objective or idea. First, fear can suppress our rational thinking and decision-making—that is to say, fear may shorten a person's sequences of thinking process or duration of such processes because it reduces a set of information needed for making a decision and

encourages impulsive decisions. Second, in circumstances where fear exists, we may arrive at decisions that we may not have made in other circumstances. (Kotter and Cohen 2002)

2.11. 4. Self-confidence for learning and development

From change recipient characteristics variables self efficiency is one of personal trait variable which affect employees reaction to change. (Org et al 2011) Researchers argued that change recipients' self-efficacy is related to their reactions to organizational changes. Whereas some of these researchers considered a generalized self-efficacy concept (Judge et al., 1999), which is a stable aspect of one's personality, others focused on a more specific and malleable self efficacy that is particularly change related (e.g., change-related self-efficacy, role breadth self- efficacy; Ashford, 1988; Herold et al., 2007; Hornung & Rousseau, 2007; Wanberg & Banas, 2000). As researchers argument Overall, higher levels of self-efficacy were associated with increased change acceptance (Wanberg & Banas, 2000), higher levels of readiness to change, increased engagement in the change (C. E. Cunningham et al., 2002), increased commitment to the change (Herold et al., 2007)

As cited in Chaiporn & Vithessonthi (2008) Human resource management research has long included ideas that relate employees' self-confidence in their ability to learning and development on the one hand to work performance on the other. Research into self-confidence for learning and development suggests that humans have different beliefs about the factors responsible for what happens to them. Individuals with an internal locus of control consider what happens to them as determined by factors under their control; on the other hand, individuals with an external locus of control consider what happens to them as determined by factor outside their control (Elangovan and Xie, 1999).

In the literature, self-confidence is also known as self-efficacy (Maurer 2001). There has been a growing awareness in the organizational psychology literature that self-efficacy is a key determinant of individuals' intention and choice to pursue an activity (e.g., Bandura 1977).

Chaiporn&Vithessonthi (2008) states that employees self confidence to learning and development is important factor to support or resist the change in the organization which means employees who have high level of self confidence to learning and development may take the

change as an opportunity to acquire new skill on the other hand employees with low level of self confidence to learning and development may perceive organizational change as a threat.

2.11.5. Trust in management

Trust in management is an important variable which included in internal context factors that states by (Org et al, 2011). Change recipients who reported holding high levels of trust in management, who perceive management as supportive, and who feel respected, were more receptive to suggested changes and reported a greater willingness to cooperate with the change (Coyle-Shapiro & morrow, 2003; C. E. Cunningham et al., 2002; Eby et al., 2000; Kiefer, 2005; Wanberg & Banas,2000).

The importance of trust during organizational change is widely reported in the international literature, mainly because it is considered as a precondition for successful collaboration (e.g. Cullen, Johnson & Sakano, 2000; Vangen & Huxham, 2003) and market orientation (Kimura, 2012). It is acknowledged as an essential feature of organizational change and best achieved through consultation, participation and empowerment (e.g. Cashman, 1998; Holoviak, 1999; Khan, 1997). As cited in (Kleanthis ,Athanasios and Tsirikas, 2014)

Employees evaluate the key qualities of managers (e.g. integrity, competence, consistency/fairness, openness; Clark & Payne, 1997) or similar attributes (e.g. Mayer, Davis & Schoorman, 1995) according past behaviors and current situations. Further, Costigan, Ilter and Berman (1998) claim that employees trust in management is based on the results of organizational decisions made by the top management and less on direct experience of their character, words and actions. Therefore, employee trust in management is interpreted through the organization's policies and practices. Within this context, other researches indicate that the performance of a manager during a change effort may depend upon gaining the trust of their employees (Brockner, Siegel, Daly, Tyler & Martin, 1997) Overall, employees' trust in management is a key factor for sustaining individual and organizational effectiveness during organizational change

Prior research on organizational change management has noted that when top managers attempt to undertake changes within their organization, they should build trust among their employees in

order to facilitate and sustain effective change (Webb, 1996). Indeed, top managers should build trust among employees so as to increase organizational effectiveness (Argyris, 1962). In addition, perceptions of legitimacy of organizational change can be enhanced by trust in management (Rousseau and Tijoriwala, 1999). Several researchers (e.g., Bridges, 1980; Toole, 1995) have noted that distrust towards those leading changes is one of factors that lead to employees' resistance to change. Therefore, managers should gain their employees trust when they think to initiate the change in the organization.

2.11.6. Perceived Need for Change

For organizational change to emerge there must be some underlying causes or antecedents of a change in an organization. For organizational and/or strategy theorists, a combination of internal and external pressures influences an organization to undertake a certain archetype of organizational changes. For any change to occur, one can expect that most organizations that want to undertake organizational change will communicate their compelling reasons for change to employees at one point in time. Research on organizational change has suggested that a proper communication from management tends to help employees understand a situation and a need for organizational change, thereby facilitating change processes and reducing employees' resistance to change (see, e.g., Kotter 1995; Kotter and Cohen, 2002).

It is useful to note that from employees' point of view, the context in which organizational change takes place tends to exert an effect on employees' perceptions of need for change. For example, organizational change in a turnaround situation tends to be perceived of greater need than organizational change in a normal situation, demonstrating the implication of the context in which organizational change occurs on employees' perceived need for change. (Kotter and Cohen, 2002)

2.12. Empirical framework

Prior empirical studies (e.g., Eisenberger et al., 1986) have found a positive correlation between perceived organizational support and feelings of obligation. (Dennis R. Self, Achilles A.

Armenakis & Mike Schraeder, 2007) pointed out those employees, who perceived low organizational support, indicated organizational leaders were less effective in justifying the change. One would expect that change agents who are intending to implement change in organizations that are perceived as being low in POS, should expect that employees will not consider the changes as justified. Therefore, a conscientious effort must be undertaken to build organizational support prior to implementing any change. However, in organizations with low POS where change is needed immediately, change agents should not expect a favorable response from employees and there should be immediate efforts to simultaneously build organizational support. (Dennis R. Self, Achilles A. Armenakis & Mike Schraeder, 2007) found that the positive relationship between change justification and perceived organizational support. The other researcher Self et al. (2007) found a relationship found that individuals with higher levels of perceived organizational support also perceived an organizational change to be more justified.

Sebastian Fuchs (2011) concluded that perceptions of Organizational Justice influenced the behavior of resistance. There are two types of Organizational Justice influencing the attitude of resistance according to research by Fuchs (2011), namely distributive justice and procedural justice. Furthermore Kenneth (2008), Colin (2009) and Filstad, et.al (2011) concluded that Organizational Justice negatively affect the Resistance to Change. Relationship between the Organizational Justice and Resistance to Change is emphasize by Ezat Deyreh (2012) which states that perceived in justice in work place creates the uncomfortable situation and increase of negative emotional reactions such as exhaustion, stress and anger.

(Korsgaard, Sapienza, & Schweiger, 2002) procedural justice was associated with higher acceptance, readiness, and commitment to organizational change the other justice research points that when employees perceive that they are being treated fairly they are likely to develop attitudes and behaviors conducive to successful implementation of change (Cobb et al., 1995). Furthermore Justice is generally predictive of higher levels of openness to change, acceptance of change, cooperation with change and satisfaction with change (Dent and Goldberg, 1999; Ford et al., 2008; Piderit, 2000).

It explains as respondents agreed that the known and the unknown consequences of organizational change make them to feel disturbed about what going to happen when the change

is implemented. (Jackson et al. 1987; Buono /Bowditch 1989) an empirical study by Anderson and Paine (1975) have posited the influences of the perception of uncertainty in the environment on the perception of the need for change in a firm's strategies. Fear is often considered as a factor that triggers employees' resistance to change (Agocs, 1997, Kotter and Cohen, 2002). Kotter and Cohen (2002) also posited that fear or panic drives self-protection or immobilization.

empirical finding by (Cummings & Worley, 2014; Vakola & Nikolaou, 2005) indicated that during organizational change "the way things are done" will be challenged, and as a result, many individuals will become uncertain and can experience anxieties concerning the potential failure in dealing with the new work situation

The empirical study by (Scheck & Kinicki, 2000) they found organizational change research showed that employees' coping efficacy was positively related to the appraisal of changes associated with an organizational merger they also found affective commitment and change-related self-efficacy has positive relations. Overall, higher levels of self-efficacy were associated with increased change acceptance (Wanberg and Banas, 2000), higher levels of readiness to change, increased engagement in the change (Cunningham et al., 2002), increased commitment to the change (Herold et al., 2007)

A study Coch and French (1948) found that workers, who exhibited high levels of resistance to change, also reported low levels of trust in management. S. Weinbach (1994) listed "lack of confidence in the change agent" as one factor affecting resistance to change. Weinbach suggested that if workers did not trust in management or change agents, they would resist potential changes. Gardner (1987) also identified a lack of trust in management as a factor that increased the levels of resistance to change. A well known study by Oreg's (2006) examined the relationship between trust in management and resistance. found that a lack of faith or trust in management had a significant association with all types of resistance (cognitive, affective, and behavioral), and particularly with employee's cognitive analysis of the change initiative. Oreg also found that a lack of trust in management was strongly related to reports of anger, frustration, and anxiety, increased action against the change initiative

(Coyle-Shapiro & Morrow, 2003; C. E. Cunningham et al., 2002; Eby et al., 2000; Kiefer, 2005; Wanberg & Banas, 2000). Agreed that, Change recipients who reported holding high levels of trust in management, who perceive management as supportive, and who feel respected, were more receptive to suggested changes and reported a greater willingness to cooperate with the change moreover prior research on organizational change management has noted that when top managers attempt to undertake changes within their organization, they should build trust among their employees in order to facilitate and sustain effective change (Webb, 1996). Indeed, top managers should build trust among employees so as to increase organizational effectiveness (Argyris, 1962). In addition, perceptions of legitimacy of organizational change can be enhanced by trust in management (Rousseau and Tijoriwala, 1999).

Research findings also imply perceived usefulness of the change positively effect on acceptance of changes (Siegel, Daniel, Sivo, Stephen, 2008). The same statement is stated by Joel M (Goncalves and Rejane P Goncalves, 2012) which states that the level of individual resistance to change is determined by how he perceived the change, whether the change is a good thing or a bad thing and the expectations of how severe will be the impact of change on it.

Conceptual framework

Depend on the literatures that explain above the researcher will have the following conceptual frame work.

Independent variables

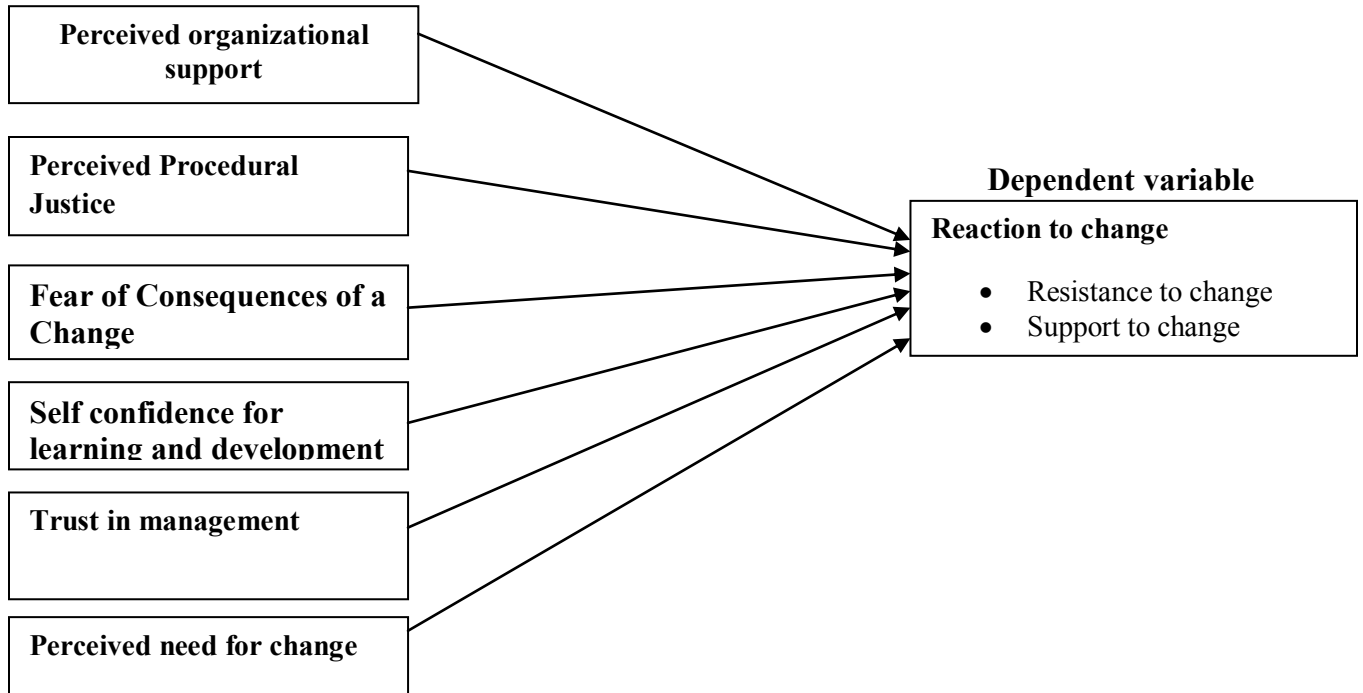


Figure 2.1. Conceptual frame work

Chapter Three: Research Methodology

3.1. Research Design

This study uses descriptive research design. This design is appropriate to narrate facts in line with employees perception towards organizational change variables used in the study. The descriptive method is concerned on describing the existing situation. Beside this explanatory study design using quantitative method used to analyze the data collected from employees. This design helps the researcher to explaining, understanding and predicting the cause and effect relationship between variables.

3.2. Research Method

This study employed quantitative survey method in the form of a cross sectional study in which data was collected once across the population using sample. According to Creswell (2003) the quantitative survey research design is vital to create quantifiable causes and effect relationship between the variables of the study. As cited in (Abraham, Assegid, Assefa, 2014) Christensen (1985) noted that quantitative survey is the most appropriate one to use if the purpose of an investigation is to describe the degree of relationship which exists between the variables. Accordingly quantitative survey method used in this study.

3.3. Sampling Design

The study population is the total number of employee of ERCA in Addis Ababa. Accordingly, the total number of employees in the entire twenty (20) offices are 7, 370. The researcher used probabilistic sampling method specifically stratified random sampling. This is because the different branches of ERCA were placed in different stratum based on the similarities they have with respect to the type of customer they are meant to serve. The assumption behind using the type of customer as the basis of building the strata is associated with the likely difference in the process employed based on the different need customers of that branch has. Given the homogeneity between and/or among branches only one branch was selected at random from each stratum. After selecting the branch, respondents from each office were selected by using simple random sampling technique so that, each member of the population will have equal chance of being selected

3.3.1 Target Population

The study population is the total number of employees of ERCA in Addis Ababa (case area) Because ERCA has many branches in Addis Ababa than other part of the country. Accordingly, the total numbers of employees in the entire twenty (20) offices are 7, 370.the twenty branches are divided in to seven stratum. (Head office, 1st grade tax payers, 2nd grade tax payers, 3rd grade tax payers, airport branch office, kality branch office and merkato branch office) are the seven stratum. These different branches of ERCA were selected based on the similarities they have with respect to the type of customer they are meant to serve. The assumption behind using the type of customer as the basis of selecting these branches was associated with the likely difference in the process employed based on the different need customers of that branch has. Given the homogeneity between and/or among branches only one branch was selected at random from each stratum.

3.3.2. Sample size

The researcher used sample size determination formula developed at University Park by Jeff Watson, Research Assistant, and Cooperative Extension & Outreach for calculating the sample size required. As cited by Mulu Miesho (2012) the formula was by Jeff Watson (2001)

$$n = \frac{\left(\frac{P[1-P]}{\frac{A^2}{Z^2} + \frac{P[1-P]}{N}} \right)}{R}$$

Source: Watson, Jeff: 2001

Where:

- n:** sample size required-373
- N:** number of people on the population-7370
- P:** estimated variance in population - 50%
- A:** precision desired – 5%
- Z:** Based on confidence level – 95%
- R:** Estimated response rate- 98%

By using the above formula, then the researcher selected 373 respondents randomly from the total population of 7,370 employees of the selected branches in order to collect relevant information. And the sampling technique of this study was proportional stratified sampling. The 373 respondents were selected from each branch proportionally.

Since the number of employees in each branch is not the same, the numbers of samples for each branch were calculated by the following way:

Table 3.1 Sampling determination

S. No	Cluster name	No of branches included in sample	Selected branch at random	No of employees in branches	Proportion of employees out of sample size (%)	No of employees selected as sample
1	Head Office	1	Head Office	1066	$[(1066/7370) \times 373]= 54$	54
2	1 st grade tax payers	1	1 st grade tax payers	328	$[(328/7370) \times 373]=17$	17
3	2 nd grade tax payers	4	global	228	$[(228/7370) \times 373]=30$	12
4	3 rd grade tax payers	10	Arada	3833	$[(3833/7370) \times 373]=194$	194
5	Airport Branch office	1	Airport	642	$[(642/7370) \times 373]=33$	32
6	Kality Branch Office	1	Kality	699	$[(699/7370) \times 373]=36$	35
7	Merkato Branch office	2	Merkato2	574	$[(574/7370) \times 373]= 29$	29
Total						373

Source: Own survey, 2015

3.4 Data source and collection method

3.4.1 Data source

This study used primary data. The data was collected using questionnaires. A structured questionnaire was employed in the survey that described the perception of employees to the organizational change. The statistical package for social science (SPSS, version 20) used to analyze the data. The variables were measured using Likert scale with five response categories (strongly disagrees, disagree, neutral, agree, and strongly agree). A total of 43 items was used for this survey including 4 demographic characteristics

3.4.1.1. Questionnaire design

The questionnaire that was used in this study has three parts. These are: - Background Information, Employees reaction to change and questions about employee's perception towards change variables. All questionnaires in this study are measured by using a five – point Likert scale which expressed by strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5).

Self administered questions were used to obtain background information of respondents relevant to the study. Participants were asked to provide information with regard to their sex, age, marital status, educational level.

The first part of the questionnaire was to measure employee's reaction (resistance to change and support to change) developed by (Vithessonthi, 2005) The second part of the questionnaire was to measure employees perception towards change developed by (Vithessonthi, 2004, Hasan Ali Al-Zu'bi ,2010 Eisenberger etal 2002)

3.4.1.2. Reliability Test

Cronbach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. Several authors such as Alwadaei (2010), Filed (2005), and Kothari (2004), state that an instrument that provides a reliability coefficient of 0.70 is usually considered as a reliable instrument. Hence, in this study the internal consistency for all items of the instrument was tested using Cronbach's alpha method. Therefore the researcher used the above mentioned literature into consideration and tested the reliability of the items which were developed for respondents.

Table 3.2. Reliability Test

Variables	Number of items	Cronbach's alpha
RC	5	.870
SC	5	.908
POS	6	.901
PPJ	8	.894
FCC	3	.858
SCLD	3	.879
TM	6	.913
PNC	2	.874

Source own source 2015

As indicated the above table, five items were used to measured **resistance to change**. Respondents were asked to report the degree to which they agree with each of items using a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). The Cronbach's alpha for this variable was (.870)

Support for change A total of five items were designed to measure the level of employees support to the change using a five point Likert-type scale. The coefficient of reliability for this scale is (.908)

Perceived organizational support was measured using a six -item measure reflecting perceived organizational support. Respondents were asked to indicate the degree to which they agreed with these items. The Cronbach's alpha is (.901)

Perceptions of procedural justice were measured with eight -item Employees responded to each item about their perception of justice and Cronbach's alpha for procedural justice in this study was (.894)

Fear of consequence of change was measured using four items. Respondents were asked to report the degree to which they agreed with these items the cronbach's alpha for this variable was (.858)

Self-confidence for learning and development was measured using a three-item measure. Respondents indicated the degree to which they agreed with these items. Following the procedure, the measure of self-confidence for learning and development included all three items. Cronbach's alpha was (.879).

Trust in management measured using a six items measure. Respondents were asked to indicate the degree to which they agreed with these items using a five-point scale. All six items were developed to measure trust in management. Hence, Cronbach's alpha was (.913).

Perceived need for change was measured using a two items which reflecting employee's perception of need for a change in the organization. Respondents were asked to indicate the degree to which they agreed with the items. The Cronbach's alpha is (.874).

3.4.2. Data processing and analysis

3.4.2.1. Data processing

Before processing the data, the completed questionnaires were sorted, checked and edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. The data processing was completed by two consecutive phases: First data cleanup in which the collected raw data was edited to detect errors and omissions in response and for checking that the questions are answered accurately and uniformly. The next phase is the process of assigning numerical or other symbols was followed. Coding involves assigning numbers or other symbols to answers so that responses can be grouped into limited number of classes and categories.

3.4.2.2. Data Analysis

Statistical Package for Social Science (SPSS) software for version 20 employed to analyze and present the data by using different statistical tools. Descriptive analysis, correlation analysis and multiple regression analysis are statistical tools was employed to analyze the data.

3.4.2.2.1. Descriptive analysis

Descriptive analysis techniques were used to analyze the results of descriptive statistics to describe the Demographic and general results which presented by tables frequency distributions and percentages it also help to know the level of employee perception of organizational change and their reaction to change based on the response for each item and analyzed by comparing the “mean” and “standard deviation” score of each variable.

According to Zaidaton & Bagheri (2009) as cited in Abraham, Assegid, and Assefa, (2014) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high as illustrated below. Therefore, this method of interpretation is used for the descriptive statistics.

Table 3.3. Mean score interpretation

Mean score	Description
<3.39	low
3.40-3.79	moderate
>3.80	high

Source : Abraham, A, and Assefa, (2014)

3.4.2.2.2. Inferential Analysis:

The Pearson Correlation analysis

The dependent variable (reaction to organizational change) to independent variables (perceived organizational support, perceived procedural justice, fear of unknown consequences of change, self confidence for learning and development, trust in management and perceived need for change) were used to test the magnitude and direction of relationships of variables. As indicated in Alwadaei (2010) Correlation Analysis: is to show the strength of the association between the variables involved. Inter-correlations coefficients (r) were calculated by using the Pearson’s Product Moment. According to (McDanail and Gates, 2006), correlation coefficient can range from -1.00 to +1.00. The value of -1.00 represents a perfect negative correlation. While a value of

+1.00 represents a perfect positive correlation. A value of 0.00 correlations represents no relationship. The results of correlation coefficient interpreted as follow:

Table 3.4. Correlation coefficient Interpretation

Correlation coefficient	description
0.70-1.00	Very strong association
0.50-0.69	Substantial association
0.30-0.49	Moderate association
0.10-0.09	Negligible association

Source: (Alwadael 2010)

Regression Analysis

The researcher also used multiple regression tests. It is an appropriate and most widely used method for investigating the relationship between a dependent variable and two or more independent variables due to its well developed underlying statistical theory (Hair *et al.*, 2005, Montgomery *et al.*, 2001). Multiple regression method was employed to investigate the effect of independent variables on dependent variable. as stated in (Cohen & Swerdlik, 2002). Multiple regression analysis takes into account the inter-correlations among all variables involved. This method also takes into account the correlations among the predictor scores. Multiple regression analysis more than one predictor is jointly regressed against the criterion variable

Regression functions

In this study the equation of multiple regressions was built on independent variables (perceived organizational support, perceived procedural justice, trust in management, fear of consequences of a change, self confidence for learning and development, perceived need for change) and the dependent variable reaction to change (resistance to change and support to change) The basic objective of using regression equation on this study is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables.

Table 3.5. Dependent and independent variables

Independent variables	dependent variable
Perceived organizational support	Reaction to change (resistance to change and support to change)
Perceived procedural justice	
Trust in management	
Fear of Consequences of a Change	
Self confidence for learning and development	
Perceived Need for Change	

Regress employees perception towards change and employee’s reaction dimensions

resistance to change = f (perceived organizational support, perceived procedural justice, trust in management, fear of consequences of a change, self confidence for learning and development, perceived need for change)

support to change = f (perceived organizational support, perceived procedural justice, trust in management, fear of consequences of a change, self confidence for learning and development, perceived need for change)

$$RC = \beta_0 + \beta_1 POS + \beta_2 PPJ + \beta_3 TM + \beta_4 FCC + \beta_5 SCLD + \beta_6 PNC + e$$

$$SC = \beta_0 + \beta_1 POS + \beta_2 PPJ + \beta_3 TM + \beta_4 FCC + \beta_5 SCLD + \beta_6 PNC + e$$

Where

RC = reaction to change

SC= support of change

POS= Perceived organizational support

PPJ = Perceived procedural justice

TM = trust in manager

FCC = Fear of Consequences of a Change

SCLD= Self confidence for learning and development

PNC= Perceived Need for Change

e= model error term

Mathematically,

$$Y_i = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7$$

Where Y is the dependent variable- reaction to change

X₂, X₃, X₄, X₅, X₆ and X₇ are the explanatory variables (or the regressors)

β_1 is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero.

$\beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7$ refer to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

Chapter Four: Data Analysis and Summery

4.1. Introduction

In this chapter different tests and employees background information of respondents, using descriptive statistics (mean and standard deviation), and correlation and regression analysis were performed. For the purpose of analysis SPSS version 20 were used. Finally the summery of the results were presented. 373 (three hundred seventy three) structured questionnaires were distributed to the employees of ERCA. From them 359 questionnaires were returned which are 96.2 response rates. Therefore, the analysis of this study is based on the number of questionnaires collected.

4.2. Statistical Tests

4.2.1 Normality test

The data was reviewed to ensure that the assumptions of normality were upheld. Normality is a term used to indicate that the data are normally distributed. Normal distributions take the form of a bell-shaped curve. The standard normal distribution is one with a mean of 0 and a standard deviation of 1. It is a benchmark distribution for many statistical assumptions (Groebner & Shannon 1990; Lewis-Beck, Bryman & Liao 2004). Skewness and kurtosis should be within the +2 to -2 range when the data are normally distributed (Lewis-Beck, Bryman & Liao 2004). Regarding to this information, most items in this study are between 1 to -1 and some items are between +2 to -2 which indicates that the data was normally distributed. You can see the entire result from the table from appendix III

4.2.2. Multicollinearity test

Table 4.1. Multicollinearity test

model	VIF mean
POC	1.3698
PPJ	1.3078
FCC	1.4254
SCLD	1.3996
TM	1.1930
PNC	1.3914

As stated in table 3.3 the dataset was examined to determine if multicollinearity was an issue (Hayduk, 1987). Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables. The more variables correlate the less able researchers can separate the effects of variables (Keith, 2006). A rule of thumb of collinearity VIFs is 3.3 or lower to suggest no multicollinearity in the model (Kock, 2013). The mean of VIF scores of the data also fell within the acceptable range for all the variables. On the basis of such evidence, the researcher can conclude that the dataset was in good condition.

4.2. 3 Linearity test

Linearity defines the dependent variable as a linear function of the predictor (independent) variables. Standard multiple regression can only accurately estimate the relationship between dependent and independent variables if the relationships are linear in nature. If the relationship between independent variables and the dependent variable is not linear, the results of the regression analysis will under-estimate the true relationship. This under- estimation carries two risks: increased chance of a Type II error for that independent variables, and in the case of multiple regression, an increased risk of Type I errors (over- estimation) for other independent variables that share variance with that independent variables. If linearity is violated all the estimates of the regression including regression coefficients, standard errors, and tests of statistical significance may be biased (Keith, 2006). Regarding this information, linearity test was checked and the researcher found out all variables in the study has linear relationship. See Appendix II

4.3. Descriptive Statistics

Descriptive analysis techniques were used to analyze the results of descriptive statistics to describe the Demographic and general results which presented by tables of frequency distribution and percentages.

4.3.1. Background Information of Respondents

Table 4.2. Background information of Respondent

No.	Item		Frequency	Percent
1.	Gender of Respondents	Male	183	51.0
		Female	176	49.0
		Total	359	100.0
2.	Age of Respondents	Under 25 years	105	29.2
		26-35 years	170	47.4
		36-45 years	60	16.7
		46 and above	24	6.7
		Total	359	100.0
3.	Marital status	single	210	58.5
		married	149	41.5
		Total	359	100.0
4.	Educational level	Under diploma	6	1.7
		Diploma	24	6.7
		Degree	289	80.5
		Master & Above	40	11.1
		Total	359	100.0

Source : Own survey 2015

The background information of respondents participated in the study that is Gender, age, marital status and educational level of the sample respondents are displayed in table 4.1.

As shown from the table 4.1 item number 1 gender distribution of the sample, 183 (51.0%) of the total respondents are male, 176 (49.0%) are female. which implies the proportion of male employees is slightly larger than that of female employees in the sampled seven branches of ARCA

As the age of respondents shows as, 105 (29.2%) of the respondents are in the range of under 25 years, 170 (47.4%) of the respondents are in the range of 26-35 years, 60 (16.7%) are in the range of 36-45 years and 24 (6.7%) are above 46 years, as revealed from item number 2 of the table. Standing from this, it can be understood that all the branches of ERCA under study consists of all age groups with majority of them under the age group of 26-35 years. It indicated that most of employees are in the youngest group it may help the employees to cope up with organizational change initiatives

Item 3 of the above table shows that the percentages of the total participants who are married are (149) 41.5% of the total population and those unmarried (single) are (210) 58.5%. The result indicates that majority of employee's in ERCA are unmarried or single.

The last one which is item number 4 of the table indicates educational level of respondents. 6 (1.7%) employees are under diploma 24 (6.7%) of the respondents are diploma holders, 289 (80.5%) of the respondents are degree holders and 40 (11.1) of the respondents are Masters and above holders. From this it can be said that most of the respondents worked in ERCA are Degree holders and above, which indicates that most of employees in the organization are educated it may help to increase the performance of organization.

4.3.2. Respondents demographic variable difference

The effects of respondents gender difference on Employees reaction to organizational change

Table 4.3. T test to gender difference

	Gender	N	Mean	Std. Deviation	t	Sig. (2-tailed)
RC	male	183	1.97	.901	-4.570	.000
	female	176	2.40	.884		
SC	male	183	3.93	.889	2.823	.005
	female	176	3.67	.883		

Own survey 2015

The above table demonstrates there is a significance difference between male and female in resisting the change ($p=.000$) and the mean score (1.97, 2.40) respectively this indicated that female employees in ERCA show high level of resistance to change than males. In the other

variable support to change there is a significant deference between male and female ($p=.005$) and the mean score (3.93, 3.67) respectively this result also revealed male employees in ERCA show high level of support than female employees.

The effects of respondents age difference on Employees reaction to organizational change

Table 4.4. ANOVA test for Age difference

	(I) In which age group are you	(J) In which age group are you	Sig.	Mean
RC	under 25 years	26-35 years	.136	2.41
		36-45 years	.165	
		46 and above	.000	
	26-35 years	under 25 years	.136	2.16
		36-45 years	1.000	
		46 and above	.017	
	36-45 years	under 25 years	.165	2.09
		26-35 years	1.000	
		46 and above	.098	
	46 and above	under 25 years	.000	1.57
		26-35 years	.017	
		36-45 years	.098	
SC	under 25 years	26-35 years	.199	3.57
		36-45 years	.079	
		46 and above	.000	
	26-35 years	under 25 years	.199	3.80
		36-45 years	1.000	
		46 and above	.001	
	36-45 years	under 25 years	.079	3.92
		26-35 years	1.000	
		46 and above	.001	
	46 and above	under 25 years	.000	4.52
		26-35 years	.001	
		36-45 years	.028	

Own source 2015

The above table demonstrated that age difference among employees affect their level of resistance and support to change. The age group under 25 has significant difference with the age group above 46 ($p=.000$) and the age group 26-35 also have significance difference with the age group above 46 ($p= .017$) in resistance to change. However, there is no significant effect between age group 36-45 and other SC age groups. The mean result (1.57) also revealed that the age group above 46 show low level of resistance than the other two age groups which are (under 25 and 26-35) with the mean

score of (2.41 , 2.16) respectively. Moreover employees are affected by their age difference on support to change. The age group 46 and above has a significant difference with other age groups which are under 25, 26-35, and 36-45 with $p = (.000, .001, .001)$ respectively and the mean result (3.57, 3.80, 3.92, 4.52) indicate that 46 and above show high level of support to change than other age groups.

The effects of Respondents marital status difference on Employees reaction to organizational change

Table 4.5. T Test for marital status

	marital status	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)
RC	single	210	2.27	.960	.066	2.269	.024
	married	149	2.05	.840	.069		
SC	single	210	3.69	.953	.066	-2.862	.004
	married	149	3.95	.783	.064		

Own survey 2015

Respondents marital status deference also drive employees to have significant deference on their resistance to change between single and married ($p = .024$) and the mean score (2.27, 2.05) respectively. The result revealed that single employees show high level of resistance to change than employees who have married. Beside this single and married employees of ERCA also have significant difference on support to change ($p = .004$) and the mean score of (single 3.69 and married= 3.95) it indicates that married employees show high level of support to change than single employees.

The effects of respondents educational level difference on Employees reaction to organizational change

Table 4.6. ANOVA test for educational level difference

Dependent Variable	(I) educational level	(J) educational level	Sig.	Mean
RC	under diploma	diploma	1.000	2.40
		degree	1.000	
		master and above	.292	
	diploma	under diploma	1.000	2.77
		degree	.018	
		master and above	.000	
	degree	under diploma	1.000	2.20
		diploma	.018	
		master and above	.001	
	master and above	under diploma	.292	1.63
		diploma	.000	
		degree	.001	
SC	under diploma	diploma	1.000	3.67
		degree	1.000	
		master and above	.480	
	diploma	under diploma	1.000	3.28
		degree	.051	
		master and above	.000	
	degree	under diploma	1.000	3.77
		diploma	.051	
		master and above	.001	
	master and above	under diploma	.480	4.33
		diploma	.000	
		degree	.001	

Own source 2015

As indicated in the above table respondents show difference in resistance to change and support to change due to their level of education. Employees who have diploma has significant difference with employees who have degree and master and above ($p = .018, .000$) and employees who have degree show significance difference with employees who have master and above ($p = .001$) in resisting the change as show from the mean score (diploma=2.77, degree=2.20 master and above=, 1.63) diploma holders show high level of resistance to change than degree and master and above holders. Educational level difference of employees between

(diploma and degree $p=.000$) as well as (degree and master and above $p=.001$) also affect employees support to change significantly. As the mean result shows (diploma=3.28, degree=3.77, master and above =4.33) employees who have master and above show high level of support to organizational change initiatives than employees who have diploma and degree. The mean score clearly revealed that when employees educational level increase their level of resistance to change decrease and the level of support increase. In both resistance and support to change cases under diploma has no significant difference with other educational level groups.

4.3.3. Descriptive statistics

The level of employee perceived behaviors of organizational change and their reaction to change (resistance to change support to change) are evaluated and analyzed based on the response of each item by using comparing the “mean” and “standard deviation” score of each variable. The level of employees’ resistance or support to change were assessed

The higher the mean score, the more that respondent agreed with the statement and the lower the mean score the more that respondent disagreed with the statement. The figures for standard deviation also indicate the degree to which responses varied from each other; the higher the figure for standard deviation, the more variation in the responses as well as the lower the standard deviation indicates the lower the variation.

Table 4.7. The mean and standard deviation

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
RC	359	1	5	2.18	.917
SC	359	1	5	3.80	.895
POC	359	1	5	3.78	1.102
PPJ	359	1	5	3.52	1.022
FCC	359	1	5	2.49	.992
SCLD	359	1	5	3.88	.990
TM	359	1	5	3.89	1.175
PNC	359	1	5	3.68	1.055

The result of the descriptive statistics from Table 4.7 indicates all variables are evaluated based on a 5-point scale (1 being strongly disagreed to 5 being strongly agreed). Accordingly, dimension of employee's perceived behaviors towards the change, mean score of perceived organizational support, perceived procedural justice, perceived need for change have moderate mean (3.78, 3.52, 3.68) respectively which indicates that employees of ERCA believes that they get moderate level of support from their organization and they also think there is moderate level of procedural justice as well as their need for undertaking the change is moderate. Self confidence for learning and development and trust management has largest mean which is (3.88, 3.89) respectively it indicate that, employees of ERCA have high self confidence for learning and development and they have high level of trust of top managers in the organization. and their standard deviation show slightly different which was perceived need for change (1.055), and perceived procedural justice (1.022) and perceived organizational support (1.102) and trust in management (1.175) unlike these variables, self confidence for learning and development has low standard deviation which is (0.990), fear of consequence of change has low mean score (2.49) with standard deviation (0.992) it implies employees of ERCA has little level of fear of consequence of change.

While the dependent variable reaction to change which expressed by employee's resistance to change and support to change mean assessment show 2.18 and 3.80 respectively. As cited in (Abraham, Assegid, and Assefa, 2014) Zaidaton Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high. according to this information resistance to change scores low mean and support to change was lied on high mean which means the employees in ERCA have low resistance to change rather they support the change.

4.4. Results of Inferential Statistics

To examine the relationships between employees' perceived behavior towards change and their reaction to change variables (resistance to change or support to change), Pearson's Product Moment Correlation Coefficient and multiple regression analysis was computed

4.4. 1. Pearson's Product Moment Correlation Coefficient

On this study, Pearson's Product Moment Correlation Coefficient was used to determine the following relationships.

- The relationship between perceived organizational support and reaction to change (resistance to change and support to change)
- The relationship between perceived procedural justice and reaction to change (resistance to change and support to change)
- The relationships between fear of consequences of change and reaction to change (resistance to change and support to change)
- The relationship between self confidence for learning and development and reaction to change (resistance to change and support to change)
- The relationship between Trust in management and reaction to change (resistance to change and support to change)
- The relationship between perceived need for change and reaction to change (resistance to change and support to change)

Table 4.8.correlation analysis

correlations		RC	SC	POC	PPJ	FCC	SCLD	TM	PNC
RC	Correlation	1							
	Sig. (2-tailed)								
	N	359							
SC	Correlation	-.824**	1						
	Sig. (2-tailed)	.000							
	N	359	359						
POS	Correlation	-.624**	.574**	1					
	Sig. (2-tailed)	.000	.000						
	N	359	359	359					
PPJ	Correlation	-.592**	.538**	.356**	1				
	Sig. (2-tailed)	.000	.000	.000					
	N	359	359	359	359				
FCC	Correlation	.591**	-.511**	-.447**	-.325**	1			
	Sig. (2-tailed)	.000	.000	.000	.000				
	N	359	359	359	359	359			
SCLD	Correlation	-.430**	.381**	.271**	.250**	-.192**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000			
	N	359	359	359	359	359	359		
TM	Correlation	-.837**	.707**	.562**	.521**	-.490**	.298**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		
	N	359	359	359	359	359	359	359	
PNC	Correlation	-.371**	.402**	.204**	.317**	-.250**	.301**	.289**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	359	359	359	359	359	359	359	359

** . Correlation is significant at the 0.01 level (2-tailed).

From the above correlation results, there is negative, significant and substantial correlation between perceived organizational support and resistance to change ($r = -0.624$, $p < 0.01$), and there is positive, significant and substantial correlation between perceived organizational support and support of change ($r = 0.574$, $p < 0.01$),

Perceived procedural justice and resistance to change has negative, significant and substantial correlation ($r = -0.592$, $P < 0.01$), and perceived procedural justice and support of change are in a substantial way correlated positively and significantly ($r=0.538$, $p<0.01$)

Fear of consequence of change positively, significantly and in a substantial way correlated with resistance to change ($r=0.591$, $p<0.01$) and negatively, significantly and in a medium way correlated with support for change($r=-0.511$, $p<0.01$),

Self confidence for learning and development negatively, significantly and in a medium way correlated with resistance to change ($r=-0.430$, $p<0.01$) and has positive, significant and medium correlation with support of change($r=0.381$, $p<0.01$),

Trust in management negatively, significantly and in a very strong association correlated with resistance to change($r=-0.837$, $p<0.01$) and very strong association, negative and significant correlation with support of change (0.707 , $p<0.01$)

Perceived need for change negatively and significantly correlated in medium range with resistance to change ($r=-0.371$, $p<0.01$) and correlated positively, significantly and in a medium way with support of change ($r=0.402$, $p<0.01$).

Generally, the above result indicate that the relationship between employees perceived behavior variables which are perceive organizational support, perceived procedural justice, self confidence to learning and development, trust in management and perceived need for change are negatively and significantly correlated with resistance to change and, positively and significantly correlated with support to change on the other side fear of consequence of change positively and significantly correlated with resistance to change and, negatively and significantly correlated with support of change.

4.4.2. Regression analysis

To answer the objective of the study multiple regression model was employed. The model was help assessed the relationship between the independent variables (perceived organizational support, perceived procedural justice, perceived fear of consequences of change, perceived self confidence for learning and development, perceived trust in management and perceived need for change) and the dependent reaction to change.

Multiple Regression between independent and dependent variables

Table 4.9. Regression result for resistance to change

1. Model summary					
model	R	R ²	Adjusted R ²	F	Sig
	.893 ^a	.798	.795	231.700	.000 ^b
2. Beta coefficients					
Model	Un-standardized B	Std. Err.	Standardized	T	Sig
(Constant)	5.419	.151		35.879	.000
POS	-.147	.024	-.177	-6.025	.000
PPJ	-.135	.026	-.150	-5.172	.000
FCC	.091	.023	.099	3.948	.000
SCLD	-.138	.024	-.149	-5.724	.000
TM	-.449	.025	-.574	-17.754	.000
PNC	-.049	.023	-.056	-2.134	.034

a. Dependent Variable: **RC** ,Predictors: (Constant), **PNC**, **POC**, **SCLD**, **PPJ**, **FCC**, **TM**

Standing from the result of the above multiple regression analysis the value of F statistics 231.700 at 6 and 352 degrees of freedom is statistically significant at 95% confidence which means that model is statistically significant. Additionally, R² of the model is .798, which shows that approximately 79.8% of variance in dependent variable (resistance to change) can be explained by the linear combination of the independent variables (perceived organizational support, perceived procedural justice, perceived fear of unknown consequences of change, perceived self confidence for learning and development, perceived trust in management and perceived need for change)

4.4.2.1. Discussion of results

Question 1.a. To what extent perceived organizational support affect employee's resistance to change?

The objective of this question was to examine the effect of perceived organizational support on employees' resistance to change.

As table 4.9 demonstrated the regression between Perceived organizational support and resistance to change. And the table indicated that the effects of perceived organizational support on resistance to change is statistically significant at ($\beta = -0.177$, $P=0.000$)

To the first predictor, keeping others independent variables constant, The beta value of -0.177 indicates that if there is a one unit decrease in perceived organization support their will be 17.7% in increase resistance to change.

An explanation may be that as respondent's belief, an employee who feel his or her organization has lack of willingness' to help its employees or doesn't care about their well-being tend to be resist the change initiatives.

In this perspective (Dennis R. Self, Achilles A. Armenakis & Mike Schraeder, 2007) pointed out those employees, who perceived low organizational support, indicated organizational leaders were less effective in justifying the change. One would expect that change agents who are intending to implement change in organizations that are perceived as being low in POS, should expect that employees will not consider the changes as justified. Therefore, a conscientious effort must be undertaken to build organizational support prior to implementing any change. However, in organizations with low POS where change is needed immediately, change agents should not expect a favorable response from employees and there should be immediate efforts to simultaneously build organizational support. (Gouldner, 1960) found that employees tend to respond negatively to unfavorable treatments from their employer or feel obliged to retaliate against those who injured them, implying a negative norm of reciprocity in which individuals retaliate to the injuries or the negative benefits enacted by others which indicates that if employees feel unfairly treated by their organization in return they also treat unfavorably.

Question 2.a. To what extent perceived procedural justice affect employees resistance to change?

Evaluating the effect of perceived procedural justice on employees' resistance to change was the objective of this question.

(Naimatullah Shah 2011) said that organizational Justice has significant effect on employee readiness for change. Employees who perceive justice in the changes will be ready for change and not Resistance to Change.

As table 4.9 demonstrated the regression between Perceived procedural justice and resistance to change. And the table indicated that the effects of perceived procedural justice on resistance to change is statistically significant at ($\beta = -.150$, $P = 0.000$)

The beta value $-.150$ can be interpreted as when there is a one unit decrease in perceive procedural justice it accounts for 15% rise in resistance to change assuming all other independent variables are held constant.

It will be explained by decision making policies and procedures in ERCA are a means of resistance to change if employees feel injustice. This finding also supported by deferent studies

Sebastian Fuchs (2011) concluded that perceptions of Organizational Justice influenced the behavior of resistance. There are two types of Organizational Justice influencing the attitude of resistance according to research by Fuchs (2011), namely distributive justice and procedural justice. Furthermore Kenneth (2008), Colin (2009) and Filstad, et.al (2011) concluded that Organizational Justice negatively affect the Resistance to Change. Relationship between the Organizational Justice and Resistance to Change is emphasize by Ezat Deyreh (2012) which states that perceived in justice in work place creates the uncomfortable situation and increase of negative emotional reactions such as exhaustion, stress and anger.

Question 3.a. To what extent perceived fear consequences of change affect employees' resistance to change?

The objective of this question was to examine the effect of perceived fear of consequences of change on employees' resistance to change

As table 4.9 demonstrated the regression between Perceived fear of consequence of change and resistance to change. And the table indicated that the effects of perceived fear of consequence of change on resistance to change is statistically significant at ($\beta=.099$, $P=0.000$)

Further, the Beta-value of .099 indicates that keeping other independent variables constant if there is a one unit increase on fear of consequence of change their will be an increase on resistance to change by 9.9%.

It explains as respondents agreed that the known and the unknown consequences of organizational change make them to feel disturbed about what going to happen when the change is implemented. (Jackson et al. 1987; Buono /Bowditch, 1989) an empirical study by Anderson and Paine (1975) have posited the influences of the perception of uncertainty in the environment on the perception of the need for change in a firm's strategies. Fear is often considered as a factor that triggers employees' resistance to change (Agoos, 1997, Kotter and Cohen, 2002). Dubrin and Ireland (1993) noted that resistance to change is attributed to employees' fear of poor outcomes, the unknown, and realization of pitfalls with the change. In the same vein, Kotter and Cohen (2002) posited that fear or panic drives self-protection or immobilization.

Question 4.a. To what extent perceived self confidence for learning and development affect resistance to change?

Examining the effect of perceived self confidence for learning and development on employees' resistance to change was the objective of this question

As table 4.9 demonstrated the regression between perceived self confidence to learning and development and resistance to change. And the table indicated that the effects of perceived self

confidence to learning and development on resistance to change is statistically significant at ($\beta = -.149$, $P = 0.000$)

Assuming all other independent variables held constant. The Beta-value $-.149$ indicates that when there is a one unit decrease on self confidence for learning and development it accounts for 14.9% increase on resistance change. As demonstrated above self confidence to learning and development inversely related with resistance to change it implies that, the employees of ERCA believed that employees with high level of self confidence tend to be accept the change on the other hand employees with low level of self efficiency will resist the change the empirical finding by (Cummings & Worley, 2014; Vakola & Nikolaou, 2005) indicted that during organizational change “the way things are done” will be challenged, and as a result, many individuals will become uncertain and can experience anxieties concerning the potential failure in dealing with the new work situation

This finding is supported by Dubrin and Ireland (1993) noted that resistance to change is attributed to employees’ fear of poor outcomes, the unknown, and realization of pitfalls with the change. The other researchers (Nadler 1982) found Fear of failure is another reaction employees are likely to show in the face of organizational change they may be scared of not being able to deal with new technologies or not understanding new work processes.

Question 5.a. To what extent perceived trust in management affect employees resistance to change?

The objective of this question was to examine the effect of perceived trust in management on employees’ resistance to change.

As table 4.9 demonstrated the regression between Perceived trust in management and resistance to change. And the table revealed that the effects of perceived trust in management on resistance to change is statistically significant at ($\beta = -.574$, $P = 0.000$)

Furthermore, other variables remain constant, the Beta-value $-.574$ indicates if there is a one unit decrease on trust in management there will be 57.4 % increase on resistance change. It explain as trust in management is very important factor for employees of ERCA and they will account

high level of resistance unless they trust their top managers. Different research findings also count it as a sensitive factor.

A study Coch and French (1948) found that workers, who exhibited high levels of resistance to change, also reported low levels of trust in management. S. Weinbach (1994) listed “lack of confidence in the change agent” as one factor affecting resistance to change. Weinbach suggested that if workers did not trust in management or change agents, they would resist potential changes. Gardner (1987) also identified a lack of trust in management as a factor that increased the levels of resistance to change. A well known study by Oreg’s (2006) examined the relationship between trust in management and resistance. Trust in management involved individuals' perceived confidence levels in the ability of management to lead effective change as well as their feelings that they could count on management to do what was best for the organization and its members. In this study, of defense firm employees, Oreg found that a lack of faith or trust in management had a significant association with all types of resistance (cognitive, affective, and behavioral), and particularly with employee's cognitive analysis of the change initiative. Oreg also found that a lack of trust in management was strongly related to reports of anger, frustration, and anxiety, increased action against the change initiative

Question 6.a. in what extent perceived need for change affects employees’ resistance to change?

Examining the effect of perceived need for change on employees’ resistance to change was the objective of this question.

As table 4.9 demonstrated the regression between Perceived need for change and resistance to change. And the table indicated that the effects of perceived need for change on resistance to change is statistically significant at ($\beta=-.056$, $P=0.034$)

The Beta-value of $-.056$ indicates that when there is a one unit decrease in perceived need for change it accounts for 5.6% increase on resistance to change if other independent variables held constant. As indicated above perceived need for change also one of the factor that affect reaction to change. It implies that before top managers plan to implement the change they need to evaluate whether or not the organization is in the right point to implement the change initiatives

and all members in the organization should perceive change is really necessary and it should implement now. However, if employees are comfortable the existing situation they will resist the change.

In this perspective Weitzel and Johnsson's (1989) stated that model of organizational decline is that for organizational change to be perceived as needed, one condition must be fulfilled: that is, a currently planned program of actions is less likely to be fulfilled, subsequently resulting in lower performance. In this sense, it may suggest that people (e.g., top managers and employees) may perceive that their organization needs to change when viewing that a considerable threat to certain aspects of the organization exists. The other finding also implies Perceived usefulness positively effect on acceptance of changes (Siegel, Daniel, Sivo, Stephen (2008). In other words the Perceived Benefit of Change will negatively affect the Resistance to Changes. The same statement is stated by Joel M Goncalves and Rejane P Goncalves (2012) which states that the level of individual resistance to change is determined by how he perceived the change, whether the change is a good thing or a bad thing and the expectations of how severe will be the impact of change on it.

Table 4.10. Regression result for support to change

1. Model summary					
model	R	R ²	Adjusted R ²	F	Sig
	.786 ^a	.617	.611	94.538	.000 ^b
2. Beta coefficients					
Model	Un-standardized B	Std. Err.	Standardized	T	Sig
(Constant)	.714	.203		3.518	.000
POC	.174	.033	.214	5.310	.000
PPJ	.138	.035	.158	3.956	.000
FCC	-.048	.031	-.053	-1.532	.126
SCLD	.102	.032	.112	3.131	.002
TM	.317	.034	.416	9.348	.000
PNC	.121	.031	.143	3.933	.000

a. Dependent Variable: SC, Predictors: (Constant), PNC, POC, SCLD, PPJ, FCC, TM

The above regression analysis was conducted to measure the employees' reaction to the organizational change factors. These dimensions discussed below by answering the following questions. As the result of multiple regression analysis shows the value of F statistics 94.538 at 6 and 352 degrees of freedom is statistically significant at 95% confidence which means that model is statistically significant. Furthermore, the R^2 of the model is .617, which shows that approximately 61.7% of variance in dependent variable (support to change) can be explained by the linear combination of the independent variables (perceived organizational support, perceived procedural justice, fear of unknown consequences of change, self confidence for learning and development, trust in management and perceived need for change)

Question 2.b. To what level perceived organizational support affect employees' support to change?

The objective of this question was to measure the effect of perceived organizational support on employees support to change.

As table 4.10 demonstrated the regression between organizational support and support to change. And the table indicated that the effects of perceived organizational support on support to change is statistically significant at ($\beta=.214$, $P=0.000$)

The Beta-value of .214 indicates that there is 21.4% units increase on support to change when there is a one unit increase on perceived organizational support by keeping other variables held constant which means that in ERCA an employee who perceive supported by his or her organization will support the change initiative (Dennis R. Self, Achilles A. Armenakis & Mike Schraeder, 2007) found that the positive relationship between change justification and perceived organizational support which means that the respondents who felt the organization provided more support to them were more likely to feel that the changes were more justified.

Prior empirical studies (e.g., Eisenberger et al., 1986) have found a positive correlation between perceived organizational support and feelings of obligation. The other researcher Self et al. (2007) found a relationship found that individuals with higher levels of perceived organizational support also perceived an organizational change to be more justified.

Question 2.b. To what extent perceived procedural justice affect employees support to change?

The objective of this question was to measure the effect of perceived procedural justice on employees support to change.

As table 4.10 demonstrated the regression between Perceived procedural justice and support to change. And the table indicated that the effects of perceived procedural justice on resistance to change is statistically significant at ($\beta=.158$, $P=0.000$)

The Beta-value of .158 indicates that when other predictors constant, if there is a one unit increase on perceived procedural justice there will be 15.8% increase on support for change. It explains as employees are affected by decision procedures and policies of the organization. different studies also support this finding (Korsgaard, Sapienza, & Schweiger, 2002) procedural justice was associated with higher acceptance, readiness, and commitment to organizational change the other justice research points that when employees perceive that they are being treated fairly they are likely to develop attitudes and behaviors conducive to successful implementation of change (Cobb et al., 1995). Furthermore Justice is generally predictive of higher levels of openness to change, acceptance of change, cooperation with change and satisfaction with change (Dent and Goldberg, 1999; Ford et al., 2008; Piderit, 2000). Konovsky and Folger (1991) also stated that when employees believe that their organizations are fair, they are more likely to adjust to change efforts.

From the result demonstrate here employees are sensitive enough to the decision procedures and policies that followed by their managers if they think the decisions are fair, in return they will show support to the change however, if they feel the decision procedures not fair the return of their action will be resistance to change.

Question 3.b. To what level perceived fear of consequence of change affect employees support to change?

This question was designed to measure the effect of perceived fear of consequences of change on support to change however; it is removed because it is not statistically significant variable for employees support to change ($p=.126$) which is far away the minimum criteria of $p\text{ value}=0.05$

Question 4.a. to what extent perceived self confidence for learning and development affect employee's support to change?

Examining the effect of perceived self confidence for learning and development on support to change was the objective of this question.

As table 4.10 demonstrated the regression between perceived self confidence for learning and development and support to change. And the table revealed that the effects of perceived self confidence for learning and development on support to change is statistically significant at ($\beta=.112$, $P=0.002$)

The Beta-value of .112 indicates that there will be 11.2% increases on support for change when there is a one unit increase on self-confidence for learning and development

This finding is inline the study by (Scheck & Kinicki, 2000) they found organizational change research showed that employees' coping efficacy was positively related to the appraisal of changes associated with an organizational merger they also found affective commitment and change-related self-efficacy has positive relations. An explanation may be that respondent's belief in one's ability to succeed in a situation of change is very positive and because of that they will be more commitment to the organizational change than when their self-efficacy is low. Overall, higher levels of self-efficacy were associated with increased change acceptance (Wanberg and Banas, 2000), higher levels of readiness to change, increased engagement in the change (Cunningham et al., 2002), increased commitment to the change (Herold et al., 2007)

Question 5.b. in what level perceived trust in management affect employees' support to change?

The objective of this question was to see the impact of perceived trust in management on employees support to change

As table 4.10 indicated that the regression between Perceived trust in management and support to change. And the table demonstrated the effects of perceived trust in management on support to change is statistically significant at ($\beta=.416$, $P=0.000$)

The Beta-value of .416 indicates that when there is a one unit increase on trust in management it accounts for 41.6% increase on support for change.

(Coyle-Shapiro & Morrow, 2003; C. E. Cunningham et al., 2002; Eby et al., 2000; Kiefer, 2005; Wanberg & Banas, 2000). Agreed that, Change recipients who reported holding high levels of trust in management, who perceive management as supportive, and who feel respected, were more receptive to suggested changes and reported a greater willingness to cooperate with the change moreover prior research on organizational change management has noted that when top managers attempt to undertake changes within their organization, they should build trust among their employees in order to facilitate and sustain effective change (Webb, 1996). Indeed, top managers should build trust among employees so as to increase organizational effectiveness (Argyris, 1962). In addition, perceptions of legitimacy of organizational change can be enhanced by trust in management (Rousseau and Tijoriwala, 1999). Several researchers (e.g., Bridges, 1980; Toole, 1995) have noted that distrust towards those leading changes is one of factors that lead to employees' resistance to change Oreg also found that a lack of trust in management was strongly related to reports of anger, frustration, and anxiety, increased action against the change initiative as a result most researchers agreed that trust worthiness of managers in organization has a maximum effect to employees' support of the organizational change initiatives.

Question 6.b. To what extent perceived need for change affect employees' support to change?

The objective of this question was to know the impact of employees' perceived need for change on their support of organizational change.

As table 4.10 demonstrated the regression between Perceived need for change and support to change. And the table indicated that the effects of perceived need for change on support to change is statistically significant at ($\beta=.143$, $P=0.000$)

The Beta-value of .143 indicates that if there is one unit increases on perceived need for change there will be 14.3% units increase on support for change keeping other variables remain constant.

From the result we can understand perceived need for change is important factor for employees to show support for organizational change.

Research findings also imply perceived usefulness of the change positively effect on acceptance of changes (Siegel, Daniel, Sivo, Stephen, 2008). In other words the Perceived Benefit of Change will negatively affect the Resistance to Changes. The same statement is stated by Joel M (Goncalves and Rejane P Goncalves, 2012) which states that the level of individual resistance to change is determined by how he perceived the change, whether the change is a good thing or a bad thing and the expectations of how severe will be the impact of change on it.

4.5. Summary of Results

As the mean score revealed from T test table female employees show high level of resistance to change than male (male =1.97, female =2.40) and low level of support to change (male=3.93, female= 3.67)

The ANOVA test demonstrated that age difference among employees affect their level of resistance and support to change. The mean result (1.57) revealed that the age group above 46 show low level of resistance than the other two age groups which are (under 25 and 26-35) with the mean score of (2.41, 2.16) respectively and High level of support to change than other three age groups (under 25, 26-35 and 36- 45) with the mean score of (3.57, 3.80, 3.92, 4.52) respectively

The mean score from T test table revealed that married employees show low level of resistance to change (single=2.27, married =2.05) and high level of support (single =3.69 and married=3.95)

As shown from the mean score in the ANOVA test (diploma=2.77, degree=2.20 master and above=, 1.63) diploma holders show high level of resistance to change than degree and master and above holders. Moreover, the mean result (diploma=3.28, degree= 3.77, master and above =4.33) also shows employees who have master and above show high level of support to organizational change initiatives than employees who have diploma and degree. The mean score clearly revealed that when employees educational level increase their level of resistance to change decrease and the level of support to change increase.

The result of the descriptive statistics from Table 4.2 indicates all variables are evaluated based on a 5-point scale (1 being strongly disagreed to 5 being strongly agreed). Accordingly, dimension of employee's perception towards the change, mean score of perceived organizational support, perceived procedural justice, perceived need for change have moderate mean (3.78, 3.52, 3.68) respectively which indicates that employees of ERCA believes that they get moderate level of support from their organization they also think there is moderate level of procedural justice as well as their need for undertaking the change is moderate. Self confidence for learning and development and trust management has largest mean which is (3.88, 3.89) it indicate that, employees of ERCA have high self confidence for learning and development and they trusted their manager highly. and their standard deviation show slightly different which was perceived need for change (1.055), and perceived procedural justice (1.022) and perceived organizational

support (1.102) and trust in management (1.175) unlike these variables, self confidence for learning and development has low standard deviation which is (0.990), fear of consequence of change has low mean score (2.49) with standard deviation (0.992)

While the dependent variable reaction to change which expressed by employee's resistance to change and support to change mean assessment show 2.18 and 3.80 respectively. As cited in (Abraham, Assegid, and Assefa, 2014) Zaidaton Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high. according to this information resistance to change scores low mean and support to change was lied on high mean which means the employees in ERCA have low resistance to change rather they support the change.

From the results of correlation analysis, there is negative, significant and substantial correlation between perceived organizational support and resistance to change ($r = -0.624$, $p < 0.01$), and there is positive, significant and substantial correlation between perceived organizational support and support of change ($r = 0.574$, $p < 0.01$)

The other correlation result showed that perceived procedural justice and resistance to change has negative, significant and substantial correlation ($r = -0.592$, $P < 0.01$), and perceived procedural justice and support of change are in a substantial way correlated positively and significantly ($r=0.538$, $p<0.01$),

Fear of consequence of change was the other variable in the study the result of correlation for this variable indicated that Fear of consequence of change positively, significantly and in a substantial way correlated with resistance to change ($r=0.524$, $p<0.01$) and negatively, significantly and in a medium way correlated with support for change($r=-0.477$, $p<0.01$),

Self confidence for learning and development also negatively, significantly and in a medium way correlated with resistance to change ($r=-0.430$, $p<0.01$) and has positive, significant and medium correlation with support of change($r=0.381$, $p<0.01$), employees will support if they have self confidence for learning and development otherwise they will oppose the change.

trust in management negatively, significantly and in a very strong association correlated with resistance to change ($r=-0.837, p<0.01$) and very strong association, negative and significant correlation with support of change ($0.707, p<0.01$)

The other finding of the study shows that Perceived need for change negatively and significantly correlated in medium range with resistance to change ($r=-0.371, p<0.01$) and correlated positively, significantly and in a medium way with support of change ($r=0.402, p<0.01$).

In addition to this, as indicated in multiple regression analysis dimensions of perceived employees behavior towards organizational change which are perceived organizational support, perceived procedural justice, self-confidence to learning and development, trust in management and perceived need for change have negative and significant effect on resistance to change while it is positive and significant effect on support to change. Unlike this fear of consequence of change is positive and significant effect on resistance to change whereas it is insignificant to support to change.

Finally, the overall finding in this study supports the notion that how Employees perceive or feel during organizational change has significant implications for their decisions to take reaction to change by support or resist the change.

Chapter Five: Conclusion and Recommendations

5.1. Conclusion

This study was aimed at investigating employee's reaction towards organizational change in ERCA Based on the objectives and findings of the study, the following conclusions are drawn:

Employees demographic difference affect employees level of resistance and support to change (female employees show high level of resistance and low level of support to change than male, age group above 46 show low level of resistance and high level of support to change than the other age groups, married employees show low level of resistance and high level of support to change than singles and diploma holders show high level of resistance to change than degree and master and above holders but employees who have master and above show high level of support to organizational change initiatives than employees who have diploma and degree).

- Employees of ERCA show high level of support to change with the mean score of (3.8) but the result also showed there are employees who resist the change with the mean score (2.18).
- The results from the correlation analysis revealed perceived organizational support, perceived procedural justice, self confidence for learning and development, trust in management and perceived need for change are negatively and significantly correlated with resistance to change but positively and significantly correlated with support to change. On the other hand fear of unknown consequences of change positively and significantly correlated with resistance to change and negatively and significantly correlated with support to change.
- The multiple regression indicate that resistance to change negatively affected by perceived organizational support, perceived procedural justice, self confidence to learning and development, trust in management and perceived need for change but positively affected by fear of consequence of change
- The other dependent variable support to change was positively influenced by perceived organizational support, perceived procedural justice, self confidence to learning and development, trust in management and perceived need for change but fear of consequence of change was insignificant.

5.2. Recommendations

Based on the findings and conclusions of the study, the researcher would like to give the following recommendations to the management of ERCA. The finding from the descriptive analysis indicates that employees support the change initiatives implemented by ERCA. Managers should make this continuous. However, there are employees who resist the change initiatives hence, the organization should give attention and make these employees supporters. By performing the following points

- The organization should focus on female, youngest, single and employees who have low level of educational background by effectively communicating the change initiatives and by giving learning opportunities.
- If the organization needs its employees' support during the change it must show support for its employees by giving attention to their well-being and by showing care for their ideas and helping them to achieve their goals.
- Justice in the procedure of decisions and policies has direct influence with support of change and distrust leads employees to resist the change therefore, decisions made in the organization should be fair and participative.
- The organization should avoid fear of consequences of change by building trust and should help employees to avoid fear because it leads them to resistance to change.
- When change is planned to implement building employees' self-confidence of learning and development and creating opportunity to learn is recommendable because employees who have self-confidence in developing new skills relevant to their job and who keep up with new techniques and knowledge are more likely to support the change initiatives.
- The organization makes its employees feel the change is valuable it should be implemented right now by identifying the right time to implement and giving the right explanation why the change is implemented at the moment.

5.3. Direction for future research

This study was undertaken by considering the direct effect between perceived employees' behavior and their reaction towards organizational change. However, there will be variables that have a mediating role such as communication psychological contract etc therefore; future researchers should consider these mediating variables. Furthermore this study was limited to ERCA in Addis Ababa. Hence, it will be good for future researchers to focus on industry wise.

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APPENDIX

APPENDIX I

QUESTIONNAIRE

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MANAGEMENT

MBA PROGRAM

Thank you for taking the time to answer my questions about Employee's perception towards organizational change in Ethiopian revenue and custom authority. Listed below and on the next pages are statements that represent possible opinions about YOU please indicate the degree of your agreement or disagreement with each statement by marking on the box on the right hand side that best represents your point of view about organizational change and a situation with which it is related. Please choose from the following answers

Section 1 – Demographic Information

Please complete the following biographical information by ticking (√) from the alternative that is the most applicable answer to you in respect of each of the following items.

1. Gender: Male Female

2. In which age group are you?

Under 25 years 26-35 years 36-45 years 46 and above

3. Marital status: single married

4. Educational level: Diploma Degree Master & Above

Section II– Employee’s reaction towards organizational change

Instructions: Please tick (√) the number that you feel most appropriate, using the scale from 1 to 5 (Where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree). Make sure your response is depending on the change which implemented currently in your organization.

Resistance to change	1	2	3	4	5
I am opposing or will oppose this change.					
I am currently arguing for not making this change.					
I certainly withdraw my support for this change.					
I pay no attention to this change.					
I ignore this change.					
Support of change					
I am embracing this change warmly.					
I fully cooperate with the organization on this change.					
This change gets my full support.					
I agree with the organization’s decision to make this change.					
This change is acceptable to me.					
Perceived organizational support					
The organization values my contribution to its well-being.					
The organization really cares about my well-being					
My organization cares about my opinions.					
My organization strongly considers my goals and values.					
Help is available from my organization when I have a problem.					
My organization would forgive an honest mistake on my part.					
Perceived procedural justice					

Decision-making procedures related to this change have been applied consistently.					
Overall, the procedures used for making change decisions were fair.					
There has been two-way communication in decision-making process					
My manager makes sure that all employee concerns are heard before Job decisions are made.					
To make job decisions, my manager collects accurate and complete information					
My manager clarifies decisions and provides additional information when requested by employees.					
All jobs decisions are applied consistently to all affected employees.					
Employees are allowed to challenge or appeal job decisions made by their managers					
Fear of consequences of change					
I am afraid of some aspects of this change.					
The consequences of this change frighten me.					
I am disturbed by not knowing what is going to happen with this change					
Unknown consequences of this change frighten me.					
Self-confidence for learning and development					
I am very confident at learning and developing new skills relevant for my job.					
I know I am very capable of keeping up with new techniques and knowledge required for my job.					
I can develop my career-relevant skills.					
Trust in management					
I feel very favorable toward top management.					
I trust top management.					
In general, I believe top management's motives and intentions are good					
Managers give Support for Subordinates					
I feel our managers are Honest and fair					
Managers Provide Positive Work Environment for employees					
Perceived need for change					
I really understand the need for undertaking this change.					
I agree with top management that we need to make a change					

APPENDIX II

Linearity test

Variables	POC	PPJ	FCC	SCLD	TM	PNC
Equation	F	F	F	F	F	F
Linear	227.086	192.286	44.386	80.822	835.364	56.951
Logarithmic	151.242	177.275	34.918	69.540	720.774	57.757
Inverse	79.921	133.918	23.691	49.384	463.539	49.959
Quadratic	133.497	95.976	25.846	40.564	422.693	29.283
Cubic	99.317	63.979	17.648	29.136	323.811	19.538
Compound	206.347	171.489	45.002	81.204	501.034	53.437
Power	119.718	140.152	39.631	66.694	382.654	50.089
S	55.671	94.944	30.584	45.276	243.199	39.755
Growth	206.347	171.489	45.002	81.204	501.034	53.437
Exponential	206.347	171.489	45.002	81.204	501.034	53.437
Logistic	206.347	171.489	45.002	81.204	501.034	53.437

APPENDIX III

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
I am opposing or will oppose this change.	.584	.129	-.604	.257
I am currently arguing for not making this change.	.808	.129	-.157	.257
I certainly withdraw my support for this change.	.659	.129	-.609	.257
I pay no attention to this change.	.953	.129	-.046	.257
I ignore this change.	.984	.129	.087	.257
I am embracing this change warmly.	-.630	.129	-.314	.257
I fully cooperate with the organization on this change.	-1.032	.129	.551	.257
This change gets my full support.	-.870	.129	.346	.257
I agree with the organization's decision to make this change.	-1.174	.129	1.089	.257
This change is acceptable to me.	-1.020	.129	1.020	.257
The organization values my contribution to its well-being.	-.481	.129	-.619	.257
The organization really cares about my well-being	-.032	.129	-.956	.257
My organization cares about my opinions.	-.121	.129	-.655	.257
My organization strongly considers my goals and values.	-.138	.129	-.875	.257
Help is available from my organization when I have a problem.	-.270	.129	-.974	.257
My organization would forgive an honest mistake on my part.	-.289	.129	-.877	.257
Decision-making procedures related to this change have been applied consistently.	-.124	.129	-.975	.257
Overall, the procedures used for making change decisions were fair.	-.289	.129	-.777	.257
There has been two-way communication in decision-making process	-.315	.129	-.804	.257
My manager makes sure that all employee concerns are heard before Job decisions are made.	-.245	.129	-1.088	.257

To make job decisions, my manager collects accurate and complete information	-.215	.129	-.850	.257
My manager clarifies decisions and provides additional information when requested by employees.	-.123	.129	-1.038	.257
All jobs decisions are applied consistently to all affected employees.	.067	.129	-1.004	.257
Employees are allowed to challenge or appeal job decisions made by their managers	-.368	.129	-.938	.257
I am afraid of some aspects of this change	.030	.129	-1.079	.257
The consequences of this change frighten me.	.077	.129	-1.084	.257
I am disturbed by not knowing what is going to happen with this change	-.261	.129	.237	.257
Unknown consequences of this change frighten me.	.157	.129	-1.069	.257
I am very confident at learning and developing new skills relevant for my job.	-1.050	.129	.445	.257
I know I am very capable of keeping up with new techniques and knowledge required for my job.	-1.198	.129	1.058	.257
I can develop my career-relevant skills.	-1.182	.129	1.331	.257
I feel very favorable toward top management.	.014	.129	-.028	.257
I trust top management.	.026	.129	.017	.257
In general, I believe top management's motives and intentions are good	.019	.129	-.004	.257
Managers give Support for Subordinates	.017	.129	-.030	.257
I feel our managers are Honest and fair	.022	.129	-.007	.257
Managers Provide Positive Work Environment for employees	.022	.129	-.007	.257
I really understand the need for undertaking this change.	-.902	.129	.166	.257
I agree with top management that we need to make a change.	-.764	.129	-.181	.257
Valid N (listwise)				

APPENDIX IV

	N	Mean	Std. Deviation
I am opposing or will oppose this change.	359	2.34	1.176
I am currently arguing for not making this change.	359	2.19	1.117
I certainly withdraw my support for this change.	359	2.28	1.149
I pay no attention to this change.	359	2.04	1.096
I ignore this change.	359	2.04	1.118
I am embracing this change warmly.	359	3.54	1.069
I fully cooperate with the organization on this change.	359	3.75	1.085
This change gets my full support.	359	3.70	1.034
I agree with the organization's decision to make this change.	359	3.88	1.026
This change is acceptable to me.	359	3.86	.946
The organization values my contribution to its well-being.	359	3.37	1.109
The organization really cares about my well-being	359	3.04	1.096
My organization cares about my opinions.	359	3.11	.991
My organization strongly considers my goals and values.	359	3.01	1.052
Help is available from my organization when I have a problem.	359	3.09	1.109
My organization would forgive an honest mistake on my part.	359	3.08	1.069
Decision-making procedures related to this change have been applied consistently.	359	3.15	1.086
Overall, the procedures used for making change decisions were fair.	359	3.08	1.008
There has been two-way communication in decision-making process	359	3.17	1.042
My manager makes sure that all employee concerns are heard before Job decisions are made.	359	2.97	1.072
To make job decisions, my manager collects accurate and complete information	359	3.03	1.083
My manager clarifies decisions and provides additional information when requested by employees.	359	3.04	1.097
All jobs decisions are applied consistently to all affected employees.	359	3.01	1.044
Employees are allowed to challenge or appeal job decisions made by their managers	359	3.08	1.074
I am afraid of some aspects of this change	359	2.76	1.106
The consequences of this change frighten me.	359	2.70	1.088
I am disturbed by not knowing what is going to happen with this change	359	2.85	1.205
I am very confident at learning and developing new skills relevant for my job.	359	3.93	1.086

I know I am very capable of keeping up with new techniques and knowledge required for my job.	359	3.94	1.047
I can develop my career-relevant skills.	359	3.88	1.014
I feel very favorable toward top management.	359	4.13	.568
I trust top management.	359	4.13	.563
In general, I believe top management's motives and intentions are good	359	4.12	.566
Managers give Support for Subordinates	359	4.13	.566
I feel our managers are Honest and fair	359	4.13	.565
Managers Provide Positive Work Environment for employees	359	4.13	.565
I really understand the need for undertaking this change.	359	3.70	1.082
I agree with top management that we need to make a change.	359	3.65	1.155
Valid N (listwise)	359		