CAUSES OF ANTICIPATORY PERCEPTIONS AFFECTING READINESS FOR CHANGE

by

Natalia Stables
Graduate Diploma in Business Administration, Simon Fraser University, 2002
Bachelor of Linguistics/Translation, Far Eastern State University, 1999

PROJECT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

In the
Faculty
of
Business Administration

SMBA program, Leadership and Organizational Change

© Natalia Stables Year 2005

SIMON FRASER UNIVERSITY

Summer, 2005

APPROVAL

Name: **Natalia Stables**

Degree: **Master of Business Administration**

Title of Project: **CAUSES OF ANTICIPATORY PERCEPTIONS AFFECTING READINESS FOR CHANGE**

Supervisory Committee:

_____

Dr. Gervase R. Bushe
Senior Supervisor
Associate Professor of Management and Organizational Studies

_____

Dr. Jennifer C. Chang
Second Reader

Assistant Professor of Marketing

Date Approved: _August 2, 2005_____

SIMON FRASER UNIVERSITY

Partial Copyright Licence

SIMON FRASER UNIVERSITY

Ethics Approval

The author, whose name appears on the title page of this work, has obtained human research ethics approval from the Simon Fraser University Office of Research Ethics for the research described in this work, or has conducted the research as a co-investigator of a project, or member of a course, approved by the Ethics Office.

A copy of the human research ethics approval letter has been filed at the Theses Office of the University Library at the time of submission of this thesis or project.

The original application for ethics approval and letter of approval is filed with the Office of Research Ethics. Inquiries may be directed to that Office.

<div align="right">

W. A. C. Bennett Library
Simon Fraser University
Burnaby, BC, Canada

</div>

ABSTRACT

Anticipatory perceptions appear to be a hindrance in implementing a successful organizational change as they negatively impact the employees' attitudes and behaviours. A study took place at the Ridge Meadows Hospital (RMH), which intended to tap the nurses' concerns about the effects of the upcoming merger of the two Extended Care Units (ECU) on their personal and work experiences. The change initiative was assessed and the main issues were analyzed. Among other issues, problem of anticipatory perceptions clearly emerged out of their responses, which were generated through a series of random one-on-one interviews with the employees and a comprehensive survey. The causes of negative anticipatory perceptions are described in the hospital settings, compared with the professional literature, and implications of the problem for the organizations are discussed. Recommendations are proposed on how to minimize the effects of negative anticipatory perceptions on employees and ensure a successful merger.

EXECUTIVE SUMMARY

As part of the final thesis we, SMBA students, were brought into Ridge Meadows Hospital (RMH) to analyze an on-going change initiative of merging the two Extended Care Units (ECUs). The relocation and combination of Alouette and Creekside manors in to the new facility, which will occur in May 2006, is meant to improve the quality of the residents' care and thereby serve the community in a more effective way.

A number of issues were initially identified by our SMBA team that resulted out of meetings with the unit managers, the OD consultant and project team members. Among originally detected issues were: staff fears and concerns towards the relocation, changes in the staffing mix, work processes and job descriptions, employee attitudes towards the organization and the residents as well as differences in management styles and cultures between the units.

A 40 question survey and a series of twenty one interviews were conducted with RMH personnel in June and July, 2005 to confirm our initial hypothesis and to identify new issues affecting the employees' readiness for change. Our survey sample was a fair representation of the personnel of the future merger partners consisting of nurses of different ages, professional experience and educational background. The qualitative component of the study allowed us to obtain an in-depth analysis of the employees' reactions and attitudes toward the upcoming re-location.

We determined that some of the issues were not anticipated by the managers, such as a fear of the privatization of the ECU's following relocation. We confirmed that fears of downsizing and job losses were prevalent. Lack of information, desire for more input and concern about the ability to do the job effectively in the new facility were some major underlying themes throughout the interviews. Upon thorough evaluation of the current state of this change

project by applying a "Change Audit Factor Model", a set of recommendations was provided to the RMH management. These included: proceeding with the change project in a slow incremental pace that would allow gradual adaptation for staff and residents, based on collective ideas from staff creating a new comprehensive vision that would incorporate meaningful organizational components, creating a transitional monitoring team, concentrating efforts on rebuilding trust and helping employees to let go of their old ways of doing things, branding a new identity for the new Extended Care Unit that staff could relate to, promoting synergistic relationships between the two units, identifying and taking advantage of the informal networks as well as addressing the HR planning.

The problem of anticipatory perceptions stood out in the respondents' answers. Anticipatory perceptions played an important role in the way Alouette and Creekside nurses were preparing themselves psychologically for the upcoming merger by expecting negative events to happen. These mental projections into the future based on the past fears, present perceptions, stressors and rumours negatively affected the nurses' attitudes towards the merger.

Our research, being consistent with the professional literature, reveals that negative anticipatory perceptions can be prevented by applying certain measures at the pre-merger stage. Specifically, we recommend that managers develop a full awareness of how employees feel about the upcoming merger and establish an effective communication channel. To accomplish this, managers can conduct interviews and attitudinal surveys. To establish an effective communication channel, managers can create a transitional team consisting of employees and OD consultants to timely address employee-related problems. Recommendations provided by the SMBA team are consistent with the ones of the professional literature with the exception of some specific strategies pertaining to the unique situation at RMH. Implementing these procedures would contribute to a successful integration process between future merger partners.

DEDICATION

I want to dedicate this paper to my great family for encouraging me six years ago to leave mother Russia and expand my horizons in Canada. Without their unselfish support both financially and emotionally, I would have never reached this high a level both in my personal and professional life. They are in the truest sense of the word "family" I love them and am the most fortunate person in the world to have them in my life. I also dedicate this work to my very understanding husband Brian not only for editing all my papers throughout the program but above all for tolerating, listening, encouraging, picking me up, brushing me off and putting me back on track.

ACKNOWLEDGEMENTS

me a more well rounded individual who can effectively communicate and resolve interpersonal conflicts. I would also like to thank Gervase for being our project leader and would like to apologize to him in advance for subjecting him to such a long thesis paper that he will have to plod through. Hopefully with enthusiasm

I would like to thank both William Archibald and Ashley Bennington for their input and alternative ideas during this project. During this paper we had many differences of opinion but after re-assessing the various conflicts we had, I realize that these situations and altercations were positive rather than negative and assisted us in putting out a paper of the highest calibre. My great appreciation also goes to the rest of my Leadership and Organizational Change group: Myra Fernandez, Denise Cox, Ivy Feng, John Cheng, Sheila Allen, Rachel Glover and Howard Leung. I have learnt a lot from you in the course of this program. Thank you for sharing with me your personal and professional experiences, for giving your emotional support in moments of trouble and incredible intellectual stimulation.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ABBREVIATIONS

Alouette Manor or AM   Extended Care Unit at Ridge Meadows Hospital

BCGEU   British Columbia Government and Service Employees' Union

BCNU   British Columbia Nurses Union

Creekside Manor or CM   Extended Care Unit at Ridge Meadows Hospital

ECU   Extended Care Unit

FHA   Fraser Health Authority

Gardenview   Special Care Unit on the premises of Creekside

HEU   Hospital Employees Union

LPN   Licensed Practical Nurse

OD   Organizational Development

PCU   Palliative Care Unit

RCA   Registered Care Aid

RCC   Registered Care Coordinator

RMH   Ridge Meadows Hospital

RN   Registered Nurse

RT   Recreational Therapist

TCU   Transitional Care Unit

1 INTRODUCTION

1.1 First meeting with the client

On May 20, 2005, SFU MBA students, Ashley Bennington, Natalia Stables and Bill Archibald met with Pamela Theriault, internal OD Consultant, who subsequently assumed the role of the project sponsor. The meeting took place at Ridge Meadows Hospital (RMH) premises and lasted two hours. We were given a lot of background and specific information on the change initiative that was taking place at the hospital. Pam also provided us with specific guidelines in regards to our involvement in the project and clearly communicated her expectations.

Later, we were joined by Bev Dixon and Glenda Wonnacott, managers of Alouette and Creekside, the Extended Care Units (ECUs) that were the main focus of the change effort. After an insightful conversation with managers, we also had a chance to be present at a Steering Committee meeting where the progress of the change project was evaluated and related issues discussed. It was essentially a planning meeting that involved all managers and directors concerned or affected, as well as internal project management consultants helping with the planning stage of the project.

1.2 RMH's new model for providing and managing health care

In the course of these meetings, we received a substantial amount of information on the Ridge Meadows Hospital, recent reforms that took place and the current change initiative that would be the main focus of our efforts.

We learnt that Ridge Meadows Hospital is a combined facility offering both acute and long-term care to 77,000 residents of Maple Ridge and Pitt Meadows. With 92 acute-care beds and 150 long-term beds, the hospital provides a variety of programs and services to care for the

physical, mental, and emotional needs of the community. Ambulatory care, day surgery, the surgical unit, intensive care, a medical laboratory, and x-ray lab are among the services the hospital provides as well as, an array of psychiatric and social services are offered for patients on both an in-patient and out-patient basis. RMH has a modern maternity ward with private birthing rooms and other maternity services such as patient and family counselling, nutrition/diet counselling, and gestational diabetes education.

In 2004, RMH received approval for funds from the provincial government to upgrade and expand its ambulatory care and emergency room square footage. The reform involved some office relocations and staff machinations. After the successful completion of this project, other long overdue change initiatives emerged reproducing a channel reaction effect. The new reform improved the hospital's ability to deliver acute care services to the community to meet its expanded community role. Thus, the re-organization of the Acute Care Unit served as a major example of the successful change initiative for the whole organization. It caused a domino effect at RMH as other Care Units also discovered the need for changes.

However, the funding fell short of addressing an important project long overdue for completion: the major reform that would increase the quality of life for Extended Care Unit residents. The fiscal pressure applied by the BC Government has forced RMH to find "new creative ways" to bring more money into the financing of health care. RMH management decided to adopt an entrepreneurial approach to answering its growth requirements for residential care by breaking away from the traditional hospital "3-P" (Public-Private-Provincial) formula and forming a partnership with Lark Corporation, an established property developer.

Under this partnership, independent of its normal funding arrangement with the provincial government, RMH will receive funds to develop a brand new extended care unit on its hospital grounds. In November of 2004 plans were finalized and the RMH Board approved

construction of a new 4 story building designed to house 150 ECU beds, and office space for 150 home care staff. This new Care Facility Building promised to substantially increase the quality of life for the hospital residents. In the new residence, each patient will have his own private room, a great advancement considering that currently there are four residents per room.

The new building is planned to become a home for the two current ECUs, which will be merged into one big unit. Presently the ECUs are located in two separate manors: Alouette and Creekside and both have totally different staff configurations, specialization, job processes and culture. It is also planned that Gardenview, the Special Care Unit, which is currently a part of the Creekside manor and the Transitional Care Unit will temporarily move to the new manor with the possibility of the Palliative Care Unit to be added in the future. The completion of this massive change initiative that started in November, 2004 is set for May, 2006.

The idea behind this transition was to change the way and location health care was delivered to enhance the notion famous at RMH "Eden philosophy", which places an importance on providing health care that contributes to the physical and psychological well-being of its residents by decreasing their helplessness and loneliness. Besides, the extra facility would help RMH, a very community based hospital, accommodate the growing needs (due to the aging population) of the expanding community in a more effective and efficient way.

1.3 Contract description

The project charter was created based on our initial understanding and assessment of the situation at RMH. It was a joint team effort: Ashley developed a first draft, which was supplemented and modified by Natalia and Bill, and revised by our Project Supervisor before it was sent to the customer and subsequently approved. We determined the main project objective was to conduct a change audit of the ECUs merger in the form of situational and statistical analysis followed by a series of recommendations to management stakeholders. Primarily focus

of the research was on the employee relations and human resources issues related to the change initiative taking place at RMH. It was decided to limit our project work only to two ECUs: Alouette and Creekside at RMH currently being managed by Glenda Wonnacott and Bev Dixon out of time constraints and effectiveness considerations.

Our team set out to provide RMH managers with following deliverables:

1. Summary of qualitative data gained from interviews with employees

2. Raw survey, summary statistics, and comprehensive statistical analysis gained from employee surveys

3. Analysis of current situation through observations and data using a variety of disciplines, including change management, organizational development, and human resources management.

4. Recommendations to build acceptance and improve the success of the project

5. Post-merger audit tools to measure long term performance objectives

6. Tools for use in other departments by the FHA now and in the future

Also, we identified the list of measures to evaluate the effectiveness of the change audit to be conducted at RMH. Such specific dimensions were included in the contract as high degree of accuracy and professionalism, depth and thoroughness of analysis, useful practical recommendations that are sensitive of the stakeholders' sentiments, economic and legal realities and that could be applied to enhance the quality of transition to a new facility for the personnel.

1.3.1 Data collection and analysis

During our discussion with the ECU managers and the OD consultant, we identified the following issues and concerns that would need to be confirmed and further investigated in the process of staff interviews and surveys: 1) Work processes, 2) Staff configurations and job descriptions, 3) Staff fears, 4) Staffing mix, 5) Organizational culture, 6) Staff and patient relationships,7) Trust, 8) Interaction of professional associations, 9) Management of two separate units into a single vision and 10) Anticipatory perceptions problem. Specifically,

1. Merging 2 ECUs teams from 2 manors and 6 neighborhoods with 25 clients to 1 manor and 5 neighborhoods with 30 clients will require major changes in the work processes and operational procedures as well as some period of adaptation to these changes

2. Job design/descriptions/workload will have to be changed since Alouette and Creekside manors have a different proportion of LPNs and RNs. At Alouette, LPNs work at a higher level because there are more RNs whereby at Creekside, RNs have more responsibilities as there is a higher number of LPNs

3. Extensive rumors throughout the grapevine (based on fears of uncertainty and lack of precise information) about upcoming staff configurations and the possibility of job cuts or contracting out

4. Both ECU units have established teams of LPNs and RNs that have worked together for years and might oppose new team compositions

5. Both ECU units have totally different organizational culture and might be apprehensive of the possibility of suppressing their present identity as a unit

6. ECU staff in Alouette and Creekside has formed deep/family like attachment to their current patients (due to the nature of the Extended Care as opposed to the Acute Care) and are reluctant to switch to other patients

7. Possible trust issues between managers and staff

8. RNs, LPNs and RCAs, due to their historic differences in education, qualifications/skills, on-the-job responsibilities and incorrect assumptions of one another, tend to cause conflicting situations

9. Currently the two existing managers work together to coordinate separate units with different staffing configurations, processes, client requirements and cultures. Binding these units into a single operating unit will demand an alignment of goals and plans

10. Nurses have negative anticipations of the upcoming merger of the two ECUs, which possibly affects their attitudes and behaviors toward this change initiative

We planned to use the interviews as a tool to test our initial hypotheses and generate qualitative data to gain a more complete picture of the pre-merger situation at RMH. A thorough thematic analysis of the interviewees' responses served as a basis for our subsequent research on recommendations and was instrumental in creating a quantitative survey for later distribution to all employees. We conducted 21 one-on-one interviews of non-managerial ECU employees at their workplace. Each SFU student interviewed 7 employees.

Our goal was to identify the exact concerns and fears employees had associated with the merger of the two ECUs during the course of these interviews. We wanted to determine how they think this change process could be modified to make this transition to a new Care Facility more positive for them. We knew that encouraging employees' input and attending to their opinions

and ideas would help reduce resistance and would promote their enthusiasm for implementing this change project. We intended to capture the perspective of different subgroups and identified the following criteria for the inclusion: we interviewed LPNs, RNs, RCAs, and RCCs from both the Alouette and Creekside manors as well as Gardenview manor, staff from day and night shifts, of different ages with different years of experience with RMH.

Our interview questions were designed to be largely open-ended, in order to allow interviewees to provide as much information as they can and not be limited by the interviewer. RMH management was consulted to approve the list of questions the SFU team devised. The interview questions were subject to the FHA Ethics Committee guidelines. The qualitative data generated from the interviews did not contain any information that could identify interviewees by their responses. The interviewees' names were held in confidence and their opinions were re-phrased or summarized. RMH Managers Glenda Wonnacott and Bev Dixon determined which employees the SFU MBA team would interview based on the characteristics the SFU MBA team proposed.

Based on the thematic analysis of the interviews, our team designed a quantitative survey, which was revised and approved by our Project Supervisor and Bev Dixon. The survey's purpose was to supplement interviews and draw on issues identified previously: to quantify attitudes, outlooks, and opinions, and measure those across job categories, seniority, the two ECUs, and shifts. The surveys were completed by employees with their consent and willingness. Completed surveys were sealed in individual envelopes and left with Connie Bayer for pickup by the SFU MBA Team.

1.3.2 Deadlines and constraints

The project analysis was initially set for completion by June 30, 2005 with the presentation of deliverables to the management stakeholders on July 15, 2005 provided a timely

compilation of qualitative data and a fast response rate for the survey is achieved. However, the Unions' approval and FHA Ethics Committee' clearance took longer than it was originally expected. This unforeseen obstacle, which was finally resolved on June 17, pushed the deadlines further. The process of revising and getting final approval of our interview and survey questions substantially added to the delay.

Also, it was challenging to schedule mutually convenient times for both RMH employees and SFU students to conduct the interviews. ECU managers preferred to schedule all 21 interviews (3 shifts) in one day. Initially Creekside and Alouette managers were hesitant to establish an interview date ahead of time as they were very concerned with unintentionally skewing the interview results by choosing certain employees to work this day. The interview date was tentatively set on June 20, 2005. Instead a series of interviewees took place throughout the week from June 21 to June 25. Our surveys were completed by July 27 and the final presentation to the RMH managers occurred on August 15.

1.3.3 Project outline

The paper will go on to explore the causes of anticipatory perceptions and its consequences on employees' readiness for merger at the preparatory stage. Chapter two examines the findings of the interviews and survey questionnaires with the RMH staff and presents specific recommendations to ensure a smooth transition from the two Care units into one. Chapter three will then describe how the research literature concurs with the situations at RMH and goes on to further describe how the various causes of anticipatory perceptions influence employees' attitudes towards the change. The literature is also examined to determine which procedures have been successfully implemented in similar cases or suggested by other researchers to address and eliminate the negative impact of the anticipatory perceptions on employees. The final chapter outlines the personal findings that were learnt from this field project by the author. Specifically,

the following reflections are presented: the personal experiences with the anticipatory perceptions, things that were done right/wrong in the course of this project and suggestions for future improvements.

2 CHANGE AUDIT OF THE MERGER AT RMH

2.1 Analysis of the change initiative

To evaluate the success of the RMH change team's efforts to lead the two ECUs in their relocation to a new Care facility, the SMBA team will be applying a comprehensive change management framework "Change Audit Factor Model", which was modified from an existing framework created by Nancy MacKay, the SFU Professor of Business. Using this tool will allow us to diagnose precisely the current state of the change project as well as to identify the steps that have been handled effectively and areas that would need to be improved in the future to ensure a smooth and successful integration of Alouette and Creekside.

Currently, the change initiative is in the long transition state, the phase that is already disengaged from the status quo but has not materialized yet in the desired state of relocating into a new building and combining the two units together. It is considered to be the most challenging stage in the entire change process because it is normally filled with instability, uncertainty, conflict and high stress for the employees to deal with. Similarly, we would characterize the present situation at the units as high on ambiguity, confusion and anxiety due to the chaotic nature of this stage and the way the change effort has been handled so far.

2.1.1 Project structure

The overall project structure for this change initiative appears to be clear and effective: a plan of actions was designed, the deadline was established, task roles and responsibilities were identified and divided among stakeholders and costs and resources were accounted for.

In the project documents, a clear executive sponsor, sustaining sponsors and clinical teams were identified. A steering committee was created to direct and oversee the project

progress representing an executive support, an appointed, full time coordinator, and various contributors with specialized skills, including organizational development and project management, and management representatives from both care manors. The use of employee involvement was also prevalent, with the town hall meetings, impromptu conversations with staff, posted bulletins, distributed information, and the most recent creation of seven specific employee task groups, each assigned to manage one specific piece of the overall project. The progress update meetings were regularly held and the tracking reports completed and discussed.

Despite this optimal design, however, certain project aspects have been overlooked. The change project would benefit from identifying specific performance measures prior to the execution of the change strategy. Meaningful measures are essential to be able to define the current status of the project and what needs to be done to achieve the desired state. It is especially important when the main goal of this change project of improving the quality of residents' care is qualitative and difficult to measure directly. However, provided the importance of having a realistic measure of achieving specified goals, it could be measured indirectly through conducting a statistical examination of the residents', their families' and employees' responses.

Also, we did not see a comprehensive project charter with specified deliverables, scope, timeline and detailed work plans identifying the sub-goals broken into tasks and corresponding time-lines applied to this change project. Availability of such a tool would prove useful in planning and organizing the work effectively.

2.1.2 20-60-20 rule: stakeholder commitment

We were impressed to learn that the preparation for the upcoming Medical Facility Building development started with a stakeholders' analysis. The major groups were identified (Internal: Senior management, Steering committee, ECU managers, OD Consultant, Unions: HAS, BCNU, HEU, BCGEU, ECU residents, ECU employees and External: neighbourhood

residents, families of ECU residents, Lark Corporation, other associated suppliers and companies working with the ECUs). The stakeholders' needs were determined and acted upon. For example, approval on building a new facility in the neighbourhood was received first from the nearby residents who totally understood the need for having an extra medical facility on the hospital premises because the room shortage at RMH started to become a real problem for the patients. Hospital residents were interviewed and asked their opinion of the move to another building. Staff was also approached with similar questions.

A 20-60-20 rule was applied to address the concerns that the majority of the employees had associated with this major change initiative. To gain support from the critical 60% of the employees, a set of effective resistance-minimizing actions were performed:

- The staff was provided with necessary information about the upcoming change project to reduce unclarity and misunderstandings that cause rumours

- Staff meetings with Q & A sessions were held accompanied by Power Point presentations

- A few focus groups were employed to probe the idea of a new medical building development at RMH in a preliminary way to be able to understand what people think about it.

- Facilitated conversations with all the stakeholders impacted by the upcoming change were held to surface and address the hidden resistance issues (the families of the employees were also included in the sessions, which made them feel special and be more cooperative)

It appears to be that the initial efforts applied to receive the buy-in from all the stakeholders involved were substantial and quite effective. During that stage, no significant explicit resistance was noticed.

However, all the great efforts applied in the beginning of the preparation stage were withdrawn while still needed to be practiced on a continuous basis to maintain the buy-in from the important stakeholders. There was no effective follow up after the initial big gulp and as a result, 20% of the staff who was opposed to the change in the beginning seemed to win over a significant portion of the 60% of employees originally supportive of change but now displaying signs of resistance to the relocation.

In the course of the interviews, we observed and heard about multiple incidents of employees' resistance to the upcoming relocation. It was demonstrated through the increased usage of paid sick leave for genuine health and made-up reasons, not attending staff meetings, being cynical about the change and management's good intentions, spreading rumours, increasing intention to quit, experiencing a higher frequency of disputes with co-workers and demonstrating a general sense of demotivation on the job.

2.1.3   Strategic alignment

Long before the change project planning took place, the Eden philosophy, the flagship of the Extended Care Units, did not seem to be very popular among staff. The Eden Philosophy, in its limited incarnation in the current facilities, attempted to improve overall patient quality of life by removing the 'feel' of a hospital and replacing it with more of a 'home' atmosphere. To achieve this, plants and pets were added to the units, and more activities were organized to engage the units' residents.

However, the interviews process revealed that some employees did not know exactly what the Eden concept was about; some did not understand it correctly and had negative associations with it such as an increase in the work load with no extra pay. Few nurses did not even like the name "Eden" calling it pretentious. The prevalent sentiment was that staff had difficulty identifying with this concept. But since the overall goal of the current change project is to enhance the concept of the Eden philosophy, there is a danger that the employees who expressed their dissatisfaction with the philosophy will not be motivated to commit to this project.

Also, relocating the two existing ECUs into the new manor does not appear to be perfectly aligned with the individual employees' goals. For example, the survey data revealed the general consensus that most staff do not believe that patients will be better off in this new building. The interviews probed this issue further, and revealed that staff thinks that assigning every patient to his own room will actually increase loneliness, boredom, and dependency on staff for human interaction, and in the case of the Special Care Unit residents, a shock associated with the new place and personnel might result in the worsening of their condition, an increase in combative behaviour and even death.

Another major alignment related concern is that the good bond that formed between staff members and residents over time will be broken and the valuable knowledge of the residents' preferences and routines will be lost. Mixing staff members and residents into the 'neighbourhood' of individual rooms from different manors could result in confusion, a difficult learning period and a great deal of conflict.

2.1.4 Change leadership

Orchestrators of this initiative fit some of the characteristics of the effective change leadership. For example, executive and sustained sponsors and team leaders possessed the power to legitimize the project with the target population and they had a clear understanding of the financial and human resources needed to carry out this change. They also seemed to have a thorough understanding of the effect the project would have on the organization: RMH would benefit from having an extra care facility with no extra pay to accommodate the increasing needs of the growing community at the same time effectively serving needs of the residents.

However, the change project lacked the necessary degree of urgency. It was not mandatory: there were no high price of unresolved problems or the high costs of missed opportunities if this merger did not happen. This change initiative was rather a good business opportunity that took advantage of the available financing rather than an absolute imperative. Such a lack of urgency clearly undermined the employees' commitment to the change project because the status quo seemed quite acceptable to them and they did not have any strong reason to change it.

Another weak area was that formulation of a compelling vision had not been completed nor had our data collection revealed any clear intention to form one. While it is apparent that the project committee is focused on an optimal design for the new building, no discussions have taken place or any plans were disclosed to create a desired end state that is more comprehensive of all the stakeholders' needs. A vision for a better workplace and a new organizational culture needs to be created and strived towards to obtain measurable goals and outcomes.

Also, staff expressed their opinion through out the interviews and the survey that they did not think they had a definitive person or group they could trust to approach at any time with their

concerns or questions. Overall, employees appeared to be confused as to who the primary leader of this entire project was and who would head the new extended care unit in the new building.

2.1.5   Communication planning

A key aspect of every successful organizational change effort is planning for, creating and emphasizing short term wins. However, it did not seem to be the case at either of the units: employees expressed their dissatisfaction with the lack of recognition for and appreciation of their efforts from management. For example, some excellent practices have been used recently, such as moving the Special Care Unit to the Gardenview facility. The gradual transition from a poorly fitting facility to an optimally designed facility was a success with residents experiencing no shock associated with the changed location. However, the successful employees' efforts were not explicitly recognized or publicized. Celebrating the achievement of short term goals is critical to maintaining morale among employees and increasing their motivation for the change progress.

Another key aspect of every successful change initiative is an effective communication strategy, which did not appear to be characteristic of the current change project according to the ECUs' employees. While employees readily admit their appreciation for the full disclosure and initial employee involvement of building designs and features, their sentiments in the interviews and the survey results have revealed a high degree of frustration and discontent towards management relating to many other issues. The issues of contracting out, staffing mixes, staffing levels, shift placements, patient care, and certain business processes are all items that the staff thinks have not been properly addressed, and their emotional experiences in this regard have not been positive. The perceived lack of communication on these issues has also exacerbated their general mistrust of their respective managers and of senior management, and caused a lot of groundless rumours.

2.1.6 Entrepreneurship characteristics to sustain the change effort

The type and nature of this change initiative seems to be very entrepreneurial for RMH. Although, organizational restructuring efforts are not a novel experience for the hospital on the example of the recent re-organization of the Acute Care Unit, it was the first time when private business concepts had successfully been adopted at RMH to initiate the change. Selling the land to a property developer in exchange for building a new Care Facility where the extended care residents would have more comfortable living conditions is a sign of good business acumen on the management's part.

However, there was no SWOT analysis performed prior to the beginning of the change project. Such an analysis would prove to be very useful in the circumstances as it would allow pinpointing some potential problems associated with the direction of change or its implementation and capitalizing on the existing strengths. It would also help gain an overall realistic perspective on the feasibility and desirability of the project.

It was our impression that the employees' overall commitment to the current change effort is quite low due to the lack of involvement of the employees in the decision making process in regards to the project and low level of soliciting and implementing the input from employees.

Also, nothing has been done so far to promote synergistic relationships between the merging units. It is problematic because Creekside, Alouette and Gardenview will have to work cooperatively as one manor in 10 months but at this point there is no network of relationships in place, which is crucial for the success of the integration. All three units have totally different organizational culture, different organization of work processes as well as different supervisory and management styles. Currently, there is a presence of competitive spirit among the units, lack of desire to share important professional experience and lack of socialization or even knowledge about nurses from another Unit.

2.1.7 Aligned HR performance

According to our own observations and comments of some respondents, the Human Resources issues were not paid enough attention to during the pre-merger stage. Overall, the HR role in this change project was minimal and far from being proactive. Some important HR functions, such as training, rewards system and communications were neither re-designed nor handled effectively in the light of the upcoming relocation. For instance, no explicit communication took place to address such major staff's concerns as loosing their jobs through contracting out, staff mix from different manors and possibly a new management structure. There were also no signs of planning to accommodate staff's shift preferences and their desire to be placed with their current residents in the new facility.

There were some big gaps in the performance management as well. Prior to the project execution, there were no new employee competencies and behaviours identified to be developed to ensure the success of the change project. No specific training was offered to employees to assist them with coping with the change and with the upgrading of their professional levels. These observations have been reflective of some of the employees' comments in this regard, such as, "People's issues were totally ignored in this project", "We feel out of the loop", "Management in their ivory tower has no clue what we truly need".

Thus, assessing the ECUs merger on the basis of the above 7 categories allowed us to obtain a clear picture of the change status and deepen our understanding of some important issues that need to be addressed to ensure a smooth integration process. Overall, as a result of our analysis, we were able to confirm our 10 initial hypotheses about the employees' major areas of concern. Specifically, staff's concerns associated with the changes in work processes, staffing mix, configurations and job descriptions, employees' fears about uncertainty, organizational cultures clash, staff and patient relationships, trust problem, interaction of professional

associations, management of two separate units into a single vision and anticipatory perceptions problem were all present in the employees' interview and survey responses. Also, such important new issues as possible privatization of the new care facility, employees not identifying with the existing philosophy, sufficient lack and necessity of the HR planning, high concerns associated with the possible move of the Special Care Unit residents to the new building have also come to our attention in the course of our study and have found representation in our recommendations accordingly.

2.2 Statistical analysis

2.2.1 Methods

A multi-item survey measure was administered to a random sample of one hundred employees from the Alouette and Creekside units as well as from Gardenview, the special care unit. The survey was endorsed by the RMH management, Unions and Ethics Committee. Thirty questionnaires were returned by the closing date representing a response rate of 30 per cent. Such a low response rate was due to the employees' huge concern of confidentiality despite our previous instructions that stressed that participation in the study was strictly confidential. Nevertheless, 30 questionnaires still enabled us to generate some statistical significance. A 5-point Likert type scale format was used to measure the employees' perceptions of each item. The Principal Component Analysis was used as extraction method and Varimax with Kaiser Normalization was used as a rotation method. The descriptive statistics and correlations are contained in the matrix below.

Table 2.1: Correlation matrix

	1.	2.	3.	4.
1. Job (RCA, RN)				
2. Experience	.08			
3. Manor	-.24	.27		
4. Age	.00	.33	.42 *	
5. Perception of Managers	-.13	-.11	-.13	-.15
6. Workload	-.08	-.29	.05	-.12
7. Work Control	.20	.33	-.19	-.02
8. Privatization	-.24	-.22	.34	-.13
9. Patient Care	.29	.35	.24	.26
10. New Assignment	-.03	.04	-.35	-.14
11. Building Layout	-.25	.29	-.02	.00
12. Working with Others	-.46 *	.15	-.13	.00
13. Employee Involvement	-.24	.21	-.17	.00
14. Staffing Levels	-.16	-.10	.58 **	.00
15. Job Tools	-.08	.37	.41	.00

* .05 Statistical Significance Level   ** .01 Statistical Significance Level

Data Source: Statistical Summary Report by the SMBA students: Ashley Bennington, Bill Archibald and Natalia Stables, 2005

2.2.2 Results

In the above Correlation Matrix, the respondents' age, manor, seniority, and job were compared against the 11 factors that loaded out of the raw survey data. Then the employees' responses were sorted out and the global averages were calculated. The correlation analysis led to the differences in means between the 4 differentiators. However, we were able to detect only 3 significances at a 0.05 level, which indicates that the responses only had a 5% chance of coming out this way by pure chance. These include:

1. **.42** * showed that Creekside and Gardenview units contain older employees than Alouette.

2. **-.46** * demonstrated that the higher the job level the RMH staff held, such as RN and RCC, the less concerned they were about working with people from other job classes such as RCAs.

3. .58 ** proved that employees from Creekside and Gardenview are far more concerned about staffing levels than Alouette employees are.

The rest of the correlations do not appear to be very high and could happen by chance alone. We also used the one way ANOVA mean comparison to analyse the employees' responses given by each job level, age range, manor, or seniority level against their mean responses for each factor load.

Table 2.2: One Way ANOVA Mean Comparison

Job Title	→	Workload	.009	***
	→	Patient Care	.055	*
	→	Building Layout	.042	**
Experience	→	Job Assignment	.009	***
Manor	→	Job Assignment	.08	*
	→	Staffing Levels	.01	***
Age	→	Control over Work	.073	*
	→	Job Assignment	.099	*

*	.10 Statistical Significance Level	**	.05 Statistical Significance Level
***	.01 Statistical Significance Level		

Data Source: Statistical Summary Report by the SMBA students: Ashley Bennington, Bill Archibald and Natalia Stables, 2005

The results from table 2 are consistent with the results of table 1. These also illustrate that different employee groups responded very differently to each factor load.

The level of professional designation affected staff's responses. For example, RCAs who have the lowest level of education appeared to be the least concerned and the most optimistic about opportunities to improve the quality of resident care in the new building (3.8) versus the opinions of RNs (2.6) who have the highest level of professional designation and RTs (2.3). RCAs were also not concerned about the increase in the workload (1.9) in the new facility whereby RNs and RTs seemed to worry more about this issue (2.6). Similarly, RNs demonstrated

a very high level of concern over the new building layout (4) that may affect their ability to perform their job effectively. At the same time, it was not an issue for LPNs (2.5) and RTs (1.3). But RCAs demonstrated a higher level of concern in this area (2.93).

Work experience and seniority factor appeared to have a significant impact on employees' willingness to work with staff from other units and endure changes in their jobs and responsibilities. Specifically, employees who had worked at Alouette, Creekside and Gardenview from 4 to 7 years were the most sensitive (1.7) to changes in their job assignments compared to employees who worked at the same units for less than 6 months (1) and more than 10 years (1.3). Similarly, the group of employees who worked for the ECUs from 4 to 7 years appeared to be the most apprehensive (3.3) to mixing with staff from their future merging partners. Employees after having worked for 2 years (1.5) for the ECUs and after 10 years (1.2) had demonstrated a much lower level of concern over this issue.

Employees' concerns about job assignments and staffing levels varied from manor to manor. For instance, Gardenview staff demonstrated the highest concern (1.83) over staffing levels because residents with Dementia and Alzheimer's would require experienced specially trained personnel in the new care facility. Employees from Creekside (1.22) and Alouette (1) did not express that high of a concern over this issue. Changes in duties and responsibilities in the new manor appeared to be a moderate concern for both Alouette and Gardenview (1.5) and a lower concern for Creekside (1.33).

Age is an important construct that certainly had an effect on the employees' attitudes toward the issue of control over their work environment and future job assignment. Specifically, the importance of possible changes in the jobs and responsibilities appears to be decreasing with age. Employees from 26 to 34 showed a high interest (2) in this matter comparing to older employees from 45 to 54 (1). But, employees after 55 also demonstrate a high degree of concern

over the future job assignments (1.8). Interestingly enough, staff in the age group from 45 to 54 demonstrated the highest level of control over their work environment in terms of their independence (3.4) and input (4.1) and very low concern (1.3) about working in teams with employees from different units. Younger and older employees had a lower sense of control over their work environments (2.3).

2.3 Recommendations

2.3.1 Speed of change initiative

In order to reduce stakeholder resistance to this project and increase its overall chances for success, it is recommended that the speed of this project be slow, incremental and properly managed in stages, particularly when the building is ready for occupation.

As a preliminary stage, it is advised to allow those employees whose floor and neighbourhood assignments are already determined access to the building. Mock shift runs should be encouraged, equipment tested, rooms inspected, and various systems practiced in order to increase familiarity. All questions should be answered by the coordinating committee or those most knowledgeable in the functions and niceties of its design.

Next, practice runs with a few volunteer patients should be conducted starting with scale of the floor and progressing to the scale of one neighbourhood. It is recommended to have staff shifts overlapped to allow for observation, informal training and orientation to be conducted by the staff that already have started working for the newcomers. Experimenting in a low risk manner should be encouraged to allow for optimal operations, minimal injuries due to unfamiliar surroundings, and smoother logistics. Such processes as food delivery, medical rounds, activities, and bathing should be originally carried out by more staff than it is normally required and gradually reduced until all the staff are perfectly familiar with all the operations.

Thereafter, residents should be moved in gradually to allow staff to adapt to the new building without serious shocks in their workloads. Moving in residents in increments will allow shifts to adapt gradually, gain confidence, manage their time better and orient themselves efficiently and effectively. This process should continue until all the residents have been moved into the building and the full workload has been realized in a manner conducive to adaptation

2.3.2 Creating a new vision

Designing and adjusting the plans for the new building is only a first step. It is recommended that the coordinating committee begin to create a new, comprehensive vision to achieve. A new vision should include desired states in care delivery, resident life, employee satisfaction, organizational culture, effective operations, human resources and leadership.

Creating this new vision will require the extensive involvement of staff and an open collection and analysis of ideas. All members of the future care manor should ask themselves what they would like to see in the new building, and a common vision should be formed from the answers. Thereafter, a gap analysis can be conducted, comparing the current state against the desired state. Plans can be made to achieve these goals with the help of organizational development consultants such as Pam Theriault, and new alignment mechanisms can be created to ensure the visions continued success.

New alignment mechanisms can include different methods in managing employees, through the encouragement of behaviours that support the new vision and the discouragement of old behaviours that do not support it. Small incentives can be created to reward behaviours that uphold the new vision. Champions should be identified and leveraged to ensure employee self-management of the vision.

2.3.3 Measuring progress towards the goal

A change initiative that takes one year to complete is a major undertaking requiring periodic measurements of progress towards the goal and the monitoring of milestones along the way. There is a strong need for information by employees about the steps that are planned through to the move and beyond. Laying out the steps of the merger process to the employees will help them see where and when issues will be dealt with during the process, they can measure the progress towards completion of the actual move. Having the project plan known to the employees signals when they can expect to be given information about certain aspects of the changes such as job descriptions or staffing configurations.

It is also important to measure certain outcomes against standards or goals for performance and service levels both prior to the move, during and after. Measures of service levels and resident satisfaction can be proxies for overall organizational performance and can include medication errors, accidents and injuries, resident falls or the number of complaints from residents and families. These documented measures of success can be very motivating when positive and can focus attention on problem solving when negative. Objective measures of post re-location service levels are an important device in monitoring the success of the merger. Success stories and recognition supported by evidence can be a powerful tool in reinforcing new behaviours and creating a new culture in the new organization.

2.3.4 Employee involvement

This practice should be become a regular procedure and be continued even after the transition to the new building, since its outcomes are priceless. Specifically, employees are most knowledgeable about their jobs and are in the best position to offer improvements, efficiencies, and ideas about creating a better workplace and a better patient environment. Their input not only creates benefits for the organization, but has been proven through research to increase job

satisfaction, improve individual motivation and performance, and facilitate a more productive organizational culture and labour-management relations. Research has also shown decreases in absenteeism, sick leave, turnover, conflict, injuries, and overall costs. The overall culture and performance of the new extended care unit will be greatly increased if the practice of employee involvement in maintained in the future.

As employee involvement to this point has centred largely on building design issues, this practice needs to be extended immediately to human resources issues. Even if human resources planning is not possible at this point, allowing a public forum or focus groups on human resources issues such as shifts, staffing levels, management structures, floor assignments, and contracting out will allay fears, concerns, and anxieties, reduce resistance and improve employees' commitment and attitudes towards this change project.

Employee involvement initiatives also need to be properly managed, and not become forums for complaints about current conditions, past events or political views. Focus groups and meetings should be held to brainstorm ideas without criticism, allow for a visible recording of genuine concerns and fears about this change project, and facilitate the quick delivery of available information from management. If the information is not available, follow-ups need to be made via email or in person to those who attended the meeting even if the responses are simply to inform everyone the information is not available at all.

The voluntary nature of the employee involvement practices has been effective, but several mandatory sessions held for all the employees would also be beneficial. Some employees have noted that they had no desire to attend staff meetings because they are cynical about this change project or because they do not believe in the effectiveness/use of such meetings. Mandatory sessions will oblige everyone to attend and contribute, and will serve as a source of useful information about and input soliciting opportunity in regards to the change project, which

will have a positive affect on the employees' attitudes. Many people need to be forced into an action in order to change their thoughts.

2.3.5 Transition Monitoring Team (TMT)

Transition teams made up of a representative group of employees from both units could be very helpful in keeping managers informed about the effectiveness of their change efforts. The members of the group should be non-managers, volunteers or nominees of the staff and if possible facilitated by someone not affiliated directly with the ECU's, possibly Pam Theriault. The purpose of the team is to monitor the impact of the transition to the new facility on the people involved. Are there groups feeling left out of the planning? Is the communication of the managers effective and believed? Are groups having trouble letting go of old habits or ways of thinking? What routines, procedures, and processes are getting in the way of making a successful change? Does the staff have enough information? The group can provide direct feedback to the management team on what needs to be addressed. The team should plan to meet regularly approximately every 2 weeks through until a few months following the move. The TMT is not a forum for general feedback, though it can steer the information in the right direction, it is a committee setup specifically to monitor the impact of the move on the employees and possibly even the residents.

2.3.6 Repair trust

It is vitally important to have employees trusting their managers, especially during the transition process. If employees feel that trust, they are willing to undertake and fully commit to a change even if it scares them; if the trust is not present, successful transition is much less likely to occur. The low level of trust at RMH stems from past organizational experiences where promises had been broken and managers were not sensitive to some of the employees' needs. These must be repaired. To become trustworthy again and break through this wall of mistrust, which has

become a self protection mechanism for the employees, it is necessary to tell the truth all the time and keep their decision making as transparent as possible. Specifically:

1. Only promises that can be kept should be made. If for any reason it is not possible to follow through on a promise, it is advised to warn staff as soon as there is clarity and to explain the circumstances that led to the failure to do what was promised

2. It is necessary to trust employees first because even a slight mistrust is subtly communicated during interactions with subordinates and will be returned in kind

3. It is useful to allow employees to see managers experiencing their feelings and emotions: hidden shortcomings polish the image but undermine the people's trust and respect.

4. It is important to listen to the employees carefully and paraphrase the understanding of what has been said. Employees will trust the managers who they believe understand them and prove that they are looking out for their best interests

5. It is a good idea to ask employees for feedback and acknowledge unasked-for feedback on the subject of the trustworthiness

2.3.7 Help employees to let go

Before stressing the advantages of the outcome of the change project, it is very important to help staff to let go of a whole world of doing and thinking in the old ways. It is particularly challenging because the differences between the two ECUs have become a part of the unit members' identities and can be easily polarized provided the ambiguity of the present situation. Employees need help in re-orienting and re-defining their identity in the new place but first they

need to know what exactly they must do to let go of their old ways. It will help staff to deal with the reality and adjust their expectations of the future. The process of letting go is purely emotional; giving logical explanations and pushing people to simply get over it do not help. That's why it is recommended to:

1. To be very honest and bring all the losses out in the open by telling employees exactly what needs to be left behind and how their familiar roles, positions, shifts, salaries, promotions will be changed in the new care facility and to express concern for the affected people. The research shows (Bridges, 2003) that people recover more quickly from losses that are openly discussed. Even if the details are not clear yet, it is much better to say what is known, admit that no more data is available at the moment, and provide a timetable for additional information. If information is not available later, it is advised to communicate it openly to employees to show that the promise has not been forgotten.

2. Share true emotions, even negative, with staff and encourage them to express theirs. Suppressed emotions on the management's part will build a wall of misunderstanding between managers and employees. Suppressed emotions by employees might lead to a decrease in motivation to perform their job and subsequent emotional outbursts. Show openly your sympathy and reassure employees that anxiety and disorientation is only natural at such times. However, in communicating understanding of the employees' situation, it is necessary to distinguish between the acceptable feelings and unacceptable acting–out behaviour.

3. Mark the ending of Alouette and Creekside existing as two separate units with creating and disseminating new rules for the collaborated Extended Care Unit.

Involve in this task representatives from both Alouette and Creekside to gain different perspectives, provide staff with a sense of control and ensure their future commitment to these rules.

4. Ask staff to put together a photo-album featuring the journey of each unit. Such a piece of the old way will alleviate the transition for employees to the new place and will honour the past for what it has accomplished.

2.3.8   Branding a new identity

In the course of the interviews and survey, all staff clearly specified what manor they currently work for and identify with. However, the attachment of one's work identity to the pre-merger entity does not allow for progress to be made in the future and, therefore, these links and associations with the old manors will need to be broken down.

To facilitate the release of the old identity, a new identity must be forged by all staff and be omnipresent in the new building. Staff should submit ideas for a logo, list of values, mission statement, and extended care unit name. These symbols are all important in constructing a new identity, and should be voted on with a secret ballot from a list made by the coordinating committee that does not disclose who submitted the suggestion. In essence, these identity pieces form the new manor's 'brand.'

Once formed, the brand should be widely used and promoted by managers and employee champions. The constant promotion of the brand itself will allow all staff to forget their old identity as Alouette or Creekside employees, and identify as members of a new organization within RMH.

The formation of this brand is recommended because it helps to mitigate the tensions formed between former members of different care manors. As people will eventually forget who

worked in which manor, in which wing, and in what capacity, a new organization can be formed. For new employees, they will only identify with this new brand and work according to the unified values, mission, and vision of the new organization.

2.3.9 Promote synergistic relationships between units

Without synergistic cooperative relationships between the two distinctive care units, the success of their integration is in jeopardy. To develop this mutual support system that effectively uses all the organizational resources, it is imperative to:

1. Emphasize to all staff that both Alouette and Creekside have common goals of enhancing the quality of the residents' care and that it is in their best interests as allies to work together on the same side of the table to accomplish this goal putting aside their differences

2. Have managers and Head nurses lead by example willingly giving out the control over their territories and making the first steps to share their professional experiences with one another and communicate effectively

3. Provide as much information as possible about the staff from each unit to increase staff's awareness and spark their curiosity of one another. A good way to start is by posting in the bulletin board names and stories of staff and residents from each unit.

4. Organize an informal retreat or a "get to know you" party to bring all the employees together in a relaxed atmosphere conducive to building new friendships and promoting interaction among the members. Ideally, these events will be professionally facilitated and will include a lot of ice breaking activities.

5. Run a "Communicate effectively" workshop for all the employees involved in the relocation to teach staff about the danger of using vague obscure language, relying on unchecked assumptions, failing to perceive others' wants and needs as well as how to listen actively to each other and eliminate distortion from the communication process. Learning those vital skills will help employees to take advantage of their own diversity while working together in the new teams and enable them to handle the conflicts effectively amongst themselves.

2.3.10 Champions and informal networks

While the use of an organizational chart may illustrate power and reporting relationships, very often the dissemination of information, the path of influence, and the direction of trust does not follow these hierarchical lines. The identification of informal employee trust, information, and technical networks should be carried out, either formally, or informally. A trust network exists whereby employees will only go to certain other employees, supervisors, or managers to discuss problems or raise concerns. An information network is commonly known as 'the grapevine,' and exists between people seeking information. A technical network is one that exists between people seeking job related help or advice.

Many employees noted the presence of 'big mouths,' who are people that command large employee audiences and can influence their thoughts and behaviours. Very often, only a few individuals can manage an entire subculture in a work unit, and some staff admitted during their interviews that this was the case and that they knew who these people were. The problem is that these 'big mouths' can manage a culture for better or for worse.

It is recommended that these influential people be identified and properly managed, either through discipline or engagement. Positive influencers should be leveraged as employee 'champions,' who act as role models during difficult transitions such as this change initiative.

32

Champions can be tasked to a number of different duties, such as building design, human resources planning, safety or resident care. Those who model employee champions should be rewarded, even if only through verbal recognition, a public award or a certificate.

Negative influencers should be identified and made aware that their continued behaviour in promoting cynicism, ill will, and negativity will carry sanctions and that the costs will outweigh the benefits of their behaviour. These kinds of behaviours should be discouraged through the use of performance appraisals, verbal warnings, team self-management, and 'last-in-line' treatment for vacation selection or other perceived rewards or benefits.

These informal networks can be identified informally by simply knowing who your staff talks to. Many people carry reputations of knowing a lot of information, being trusted, willing to talk, or knowing a lot about a job. Some employees who do trust a manager can also help identify these networks and influencers, though caution should be made that they are not perceived as traitors.

Formally, these networks can be mapped via surveys asking staff who they go to for job advice, information and gossip or to discuss problems carrying trust issues. While not all will be willing to respond, the use of a third party, such as an employee committee or an outside consultant could facilitate better responses.

2.3.11 Human Resources planning

It is highly recommended that Human Resource issues are addressed as soon as possible, even with limited or incomplete information available, and disclosed to staff. The weight of employees' concerns and anxieties from the survey data and the interviews shows that they are in high need of at least some preliminary information, particularly on the contracting out issue. It is advised that management tell staff that this project is being carried out with the intention that

33

contracting out will not happen with certainty, at least for some time after the move to the new building. It is imperative to share with staff the uncertainty about contracting out thereafter, and with what person or office that decision lies. Making logical persuasive statements, such as:

1. If there is a possibility of being contracted out, why would Fraser Health managers be highly involved in this project if they too might lose their jobs?

2. The level of care and services mix at Alouette and Creekside is far too complex and cannot be handled by a privatized facility

3. There is nothing on the books at this point about privatization

4. The new building was designed with the current employees' input so that they could use it when they all move to it

Next, the determination of staffing levels, staffing mix, team composition, patient assignments, floor assignments, shift placements, management structures, and organizational designs need to be disclosed, even if somewhat inaccurate, in order to allay anxieties and boost employees' commitment. Trust issues over the past broken promises, as staff expressed, will not reappear provided the planning carries visible stamps such as, "Preliminary," or "Draft," or "Tentative."

In regards to the HR planning, the past practice of seniority rules allowing employees to pick wings, floors, assignments, or patients shouldn't apply. Since this is a new building with no past history of preferred staff assignments, managers should take this opportunity to optimize the staffing mix in order to best achieve the set vision. For example, those known to be 'negative influencers' could be placed in the same neighbourhood and shift with those known to be 'positive influencers,' and effectively mitigate the resistance that these people could create in allowing this entire project to succeed.

The planning should also create budget contingencies for extra staff during the transition period, and for at least a month after the move to the new building. Casual employees will need to become especially familiar with the new facility, since these types of employees are shown to produce the highest numbers of workplace injuries and accidents. This could heighten in unfamiliar surroundings. Extra staff during and immediately after the transition will help facilitate orientation, on-the-job training, reduce patient shock and anxiety, allow for observation, experimentation, and feedback, and forge a new organizational culture and identity. Senior management has already shown commitments to pieces of this project outside the budget, and has claimed the money will be found regardless, so this is a priority that should also be pursued vigorously.

2.3.12 The Special Care Unit should not move

We would also strongly recommend not moving the Special Care Unit residents to the new building from the Gardenview facility out of the interests of the residents. The current Gardenview Manor is designed with circular hallways so that patients with mental illnesses can wander the halls in circles for much of the day, never find an obstruction in their path, and remain content with their movements. The proposed designs for the new building initially placed the Gardenview patients onto a floor with dead end hallways. Although minor changes were made to the floor plan to allow for continuous patient movement with out dead ends, the Grandview staff is still highly dissatisfied with the plans since the layout is far inferior to the current location.

Staff shared with us that in the previous locations with 'dead end' hallways, patients would wander the floor, reach a dead end, and become very confused. At this point, they would become upset, angry, and in some cases, physically assault other patients and staff members. The research into the effects of such contextual shocks as moving to a new building on these types of residents indicates a mortality rate as high as 30% in a very short time following the move

(Smith, 2004). Staff is aware of this research and is very concerned that this could become a reality for their residents. Therefore, relocation of the residents from the Special Care Unit should be seriously re-considered to prevent major shocks and deaths as a result of moving to the new place.

Overall, we are confident that attending to the above recommendations in a timely manner will help address the identified earlier issues that inhibit the successful transition of the two ECUs into one manor.

3 REVIEW OF THE PROFESSIONAL AND RESEARCH LITERATURE ON THE PROBLEM OF ANTICIPATORY PERCEPTIONS

3.1 Chapter overview

In this chapter I intend to demonstrate the influence anticipatory perceptions have on employees regarding their attitudes toward the change initiatives in organizations. The main purpose of this chapter is to prove that anticipatory perceptions are very powerful constracts and if not managed properly in a timely fashion can be detrimental to the success of such organizational restructuring as a merger. Throughout the chapter, I use the example of the RMH nurses who perfectly fit the profile of employees affected by anticipatory perceptions.

I start the chapter by defining the phenomenon of a merger and identifying the main reasons for it to take place at RMH. I then look at the advantages of using the psychological approach to study the success of a merger versus the traditional approach that focuses on the financial impact. In the next section, I describe the challenges and dangers associated with the pre-merger stage. I then define and describe the role of anticipatory perceptions on how employees feel about the upcoming merger. I proceed to explore in-depth the major causes that prompt anticipatory perceptions to occur, such as general perceptions, perceptions associated with the cultural fit, overt and hidden sources of stress and rumours.

Employees' responses to a merger affected by anticipatory perceptions and related organizational consequences are the topics of the next two sections. I conclude the section by comparing the recommendations found in the professional literature on how to minimize the negative effects of anticipatory perceptions on the employees to improve their readiness for change with the actual recommendations that our team provided RMH management.

Figure 3.1: Chapter 3 Diagram.

Cutbacks in public funding

Adoption of private sector concepts

Intent to improve quality of residents' life

Alternative way:

Preventative strategies to address negative anticipatory perceptions

Decision to merge two ECUs into one manor

Crucial mistakes at the pre-merger stage

Rumors

Stressors

General perceptions

Positive anticipatory perceptions

Possible false impression effect

Negative anticipatory perceptions

Perceptions of cultural fit

Employees' negative reactions to negative anticipatory perceptions

Negative impact on the change effort and employees' attitudes

Positive impact on employees' readiness for change

Merger's failure

Merger's success

38

3.2 Mergers in the health industry: causes

Merger as a widespread phenomenon all over the world is considered a type of change, which differs from any other major organizational change in three important aspects: the rate of change, the scale of change, and the critical mass of unknown they present (Marks, 1988, p.19). The primary purpose of merging two different units or firms in the private sector is usually to improve overall performance by achieving synergy between two business units that will increase competitive advantage (Appelbaum, 2000, p.649). For public organizations, other factors, such as fiscal restraints and cutbacks in public funding, have been instrumental in choosing mergers as a potential solution.

Recent top-down reforms in the Canadian health sector have substantially transformed the way public sector organizations in Canada are managed by adopting private sector concepts and practices. Organizational restructuring resulted in widespread bed closures and significant staff reductions across all provinces in Canada (Greenglass & Burke, 2002, p.90). Nurses as the largest occupational group within the health care system, have been disproportionately affected by these changes in terms of the quality of their work life and cumulative impact on their feelings and attitudes (Laschinger, 2001, p.2).

The RMH, as a large public organization, was also affected by these changes deprived of sufficient funds from the traditional sources of the Provincial Government and Public sector to maintain/improve the quality of care provided to its residents and quality of working conditions for its staff. This situation forced the hospital to seek financial support from a private company. Recent bed closures and staff reductions in some Care Units at RMH put a strain on the relationship between management and nurses. Recent pay cuts from nurses' salaries by the Liberal Government also negatively affected employees' on-the-job attitudes.

3.2.1 Role of human factor in re-organizations

Many published articles have addressed the financial impact of mergers but only a few have given full consideration to the human resource aspects of mergers. People are a difficult asset to quantify at the pre-merger stage, but the depletions or underperformance of this crucial asset post merger will have a noticeable impact on organizational performance. For instance, it has been estimated (Davy, 1989, p.84) that the "employee problems" were responsible for one-third to one-half of all merger failures. Thus, successful organizational change appears to be as much a function of individuals' attitudes and consequent behaviours as it is a consequence of top management strategies, structures and systems (Appelbaum, 2000, p.649).

Recent research applies psychological perspective to understand better the merger phenomenon. In accordance with this perspective, employees bring their cognitions of the existing organizations and their expectations of the new organization into the merger. An increased knowledge of the processes involved in the employees' cognitions is of great interest when it comes to planning those steps that have to be taken in the pre-merger phase as well as how to manage the later phases of the integration process (Dackert, 2003, p.706).

Using the psychological approach to understand how RMH employees feel about the upcoming merger has been very beneficial. Through a series of interviews and survey questions, staff from the merging units shared their genuine concerns in regards to the way management handled the preparatory stage of the anticipated relocation and unification of work practices. The quality input helped us see the situation from the employees' eyes and correspondingly created quality recommendations for the management team. Entering the organization at the pre-merger stage allowed us to measure valuable employee expectations and perceptions before the merger takes place to form a comparative basis for the subsequent examinations of how these expectations evolve during the integration process.

3.3 Pre-merger stage

Pre-merger stage is the first of two major stages in the merger process. It covers that period during which the intention of a merger is made public but the merging units have not been brought together as one entity (Kleinman, 1988, p.62). Our SMBA team was brought in to RMH at this preparatory stage, 10 months before the actual relocation and combination of the two Extended Care Units would take place but staff was well aware of the merger plans. It appeared to be a very difficult time for both management and staff. Managers seemed to be far from having a clear understanding of how exactly the human resources issue would be handled in the process of integration. Managers worked after hours to juggle their on-the-job responsibilities with the ones associated with the merger. They were so absorbed with planning and preparing the technical issues of the merger that they totally forgot to address the very significant factor of how this change will personally affect every employee's life. People at both Creekside and Alouette seemed to experience an informational hunger and felt lost and left out of the decision process.

Our first observations were consistent with the description the current research provides of the pre-merger stage in most of the organizations (Appelbaum, 2000; Marks & Mirvis, 1992; Dackert, 2005). The preparatory stage is considered a very significant stage and is when the most destructive and potentially long-lasting actions can occur. At this stage, managers often lack a clear picture of how to integrate two separate business units with unique organizational cultures. Some major problems arise at this time, which are associated with system failures, such as organizational charts that fail to clarify new lines of responsibility, lack of straight/clear communication with management, unclear/inadequate organizational controls and the lack of a system for financial rewards and incentives. At the pre-merger stage, employees' anticipatory perceptions of the negative implications of a merger also create a serious problem for the future success of a merger.

41

3.3.1 Anticipatory perceptions

Anticipatory perceptions seem to play a significant role in the way nurses from both Alouette and Creekside are preparing themselves psychologically for the upcoming major change. In the course of the interviews and after analyzing survey data it became clear that a majority of nurses in response to the announcement of the upcoming organizational restructuring automatically started expecting lay offs long before this event might or might not take place. Other common expectations were privatization of the new facility, which is thought to bring about dramatic pay cuts and changes in the work procedures. A few nurses clearly stated that they expect the health condition of many residents (especially those with Dementia and Alzheimer) to worsen as a result of the move away from a familiar environment.

Many nurses were convinced that the upcoming relocation will seriously affect the existing numerous business/informal relationships/friendships that have been formed among employees over the years. Perceived loss of the bond with the current residents as a result of the combining of residents from two units into one the new building seemed to be a major problem for staff from both Alouette and Creekside.

These expectations were partially based on previous professional experiences when nurses were let go from other hospitals as a result of similar organizational restructuring and/or dramatic personal life experiences associated with big changes. Another popular source was the" horror-stories" they heard from their co-workers who experienced unfortunate consequences of hospital mergers such as pay cuts, changes in the organizational culture, an increase in workload, and so on.

All these fears and anxieties from the past were brought by the nurses to the current change effort, which is about to happen at RMH, and negatively affected nurses' readiness for change. The anticipation of negative consequences associated with the upcoming merger seemed

to be quite vivid in their imagination and unsettling in terms of job security despite the fact that in reality they have not yet experienced any actual events.

Clinical psychologists agree that anticipatory perceptions play an important role in our lives as they influence our decision making and as a result, organizationally relevant outcomes (Cherry, 2003). In the context of ongoing events, the person uses his or her knowledge of a previous experience with similar events to generate anticipations of how ongoing events will unfold (Baron, 2005). Anticipation is defined as the ability for people to generate and maintain internal predictive models of themselves and their environments utilizing predictions of the future for the purpose of control in the present. Anticipations are considered a type of perceptions that represent a future state, and are affected by images of the present state (Oren & Yilmaz, 2004, p.805).

It has been suggested by the researchers (Bagozzi, 2003; Zeelenberg, 1999) and proved by our findings that anticipated emotions affect people's decisions even when emotion is not an inherent part of the desired outcome. For example, fear of having a panic attack keeps some agoraphobics from going out in public even when the anticipation of an attack is not related to reality or some people avoid taking risks because they anticipate feeling regretful if worse comes to worse. Hetts(2000) states that anticipating potential counterfactuals, which by definition represent the consideration of alternatives to reality, influences relevant behavioural responses.

Normally, an anticipated emotion is considered to have a stronger influence on a person than a real emotion (Baron, 2005). Research by Davy (1989) describes a field study conducted in a large manufacturing firm to find out the effects of anticipation of the upcoming organizational acquisition on the employees. It was determined that when employees were anticipating layoffs but no one was sure how the layoffs would be decided, employees experienced the lowest levels of job security. When reactions of the same respondents were measured again in three months

after the merger had occurred and after several waves of layoffs had taken place, a much higher level of job security was noted. Such a change in the employees' attitudes can be explained by an effect of having an actual knowledge about the important decision. Thus, anticipatory perceptions have a profound effect on how employees feel about the upcoming restructuring and their subsequent actions.

3.3.2 Employee perceptions associated with merger

Our survey analysis and interviews with the staff from the future merging partners clearly demonstrated the importance of their current perceptions of the merger. In the literature, perceptions are defined as a process of acquiring, interpreting, selecting, and organizing sensory information, possibly anticipated. Perceptions are regarded as subjective and to be prone to biases; they evolve over time influenced by new information and events (Davy, 1989, p.85).

It turned out that depending on their different perceptions, nurses from Alouette and Creekside had a different understanding of the upcoming relocation and combination of the two units, which in turn affected their attitudes and behaviours. For example, some nurses (approximately 35% of the interviewees) perceived this change as a positive change, which will equally benefit the residents and staff. Those were the employees that believed they were treated fairly and felt appreciated by the management. They seemed to be ready for and excited about the change.

The rest of the interviewees perceived the upcoming merger as negative as a result of some previous negative incidents with the management or some negative consequences that resulted out of the managers' decisions, such as ignoring an employee's contribution, giving out controversial information, imposing policies on employees that were hard to identify with, etc. We were under the impression that many employees felt powerless, as if they were losing control over their work situation, and therefore, over their lives. This finding was consistent with the

conclusion of Darryl Conner (1992), who stated that people perceive change as negative when they are unable to foresee it, when they dislike its implications and feel unprepared for its effects.

Stability was also perceived to be under risk by nurses from both Alouette and Creekside, especially in cases when employees spent years working for the same organization prior to the merger and developed a certain routine they had become accustomed to and unwilling to give up. This phenomenon of "human inertia" was well described by Daryl Conner. According to his definition, it is a compelling force that causes people to cling to certainty and oppose any significant interruption of their status quo (Conner, 1992, p.126).

Nurses who are in single income families seemed to associate future negative monetary implications with the upcoming merger, which could potentially hurt their ability to pay the bills. However, this perception was definitely not shared by some part-time employees who enjoyed financial security, suggesting that a nurses' financial situation strongly effected the anticipatory perceptions he or she developed.

Overall our findings corresponded to the conclusions of other researches. The literature (Cartwright & Cooper, 1993; Cartwright, 2005, Ferres et al, 2005) tends to emphasize the disruptive and dysfunctional impact of a merger on the individuals and see the merger as a type of negative change. From the employees' perspective, merger phenomenon is associated with unpleasant changes and bears a negative connotation. The most common negative perception of a merger observed in the literature was breach of the traditional psychological contract, which is founded on communal aims and reciprocal employer-employee commitment (Bishop, 2001). Employees who perceive their contract had been violated are more likely to react with cynicism towards the organization (Greenglass & Burke, 2002, p.92).

However, there is a substantial body of research present (Robinson, 1996; Ferres, 2005; Guest, 1998) that provides evidence that perception of trust among employees toward the

45

organization, positive or negative, affect employees' perceptions of the psychological contract's breach. A study by Armstrong-Stassen (2001) provides strong evidence for the important role that perceived organizational support plays in an amalgamation. Employees who believed that their organization was committed to them, valued their contribution, and cared about their well-being perceived significantly less job insecurity and reported higher job satisfaction and trust and were less likely to be thinking of leaving their job than other employees who perceived little support from their companies. This finding totally correlates with our observation of the situation at RMH. It appears that perceived organizational support and the level of trust prior to or in the beginning of an amalgamation is a consistent determinant of change in job attitudes during the merger or years later.

Thus, at the preparatory stage numerous positive and negative perceptions are being accumulated by employees in relation to the upcoming merger. These present perceptions based on the current state drive anticipatory perceptions, which are related to the future but impact employees' present emotions, decisions and actions in a powerful way. Therefore, current perceptions are important to take into account when analyzing employees' reactions to the merger.

3.3.2.1 Perceptions of cultural fit

While evaluating survey responses and conducting the interviews with nurses from both the Alouette and Creekside units it had become apparent that that they perceive each other as totally different. When asked to characterize the culture of the other ECU, employees responded in the following way: "people from another planet", "as if they were from a different hospital", "you cannot imagine more opposite cultures than the cultures of Alouette and Creekside". When asked to compare supervisory and management styles between the two units, the respondents confirmed that they thought of them as being at the opposite sends of the spectrum. "Us versus

them" attitude was definitely prevalent among employees' responses. Overall, our interviews revealed that 53 per cent of the respondents believed that cultural friction could be a problem, different employee norms existed (47%) and there are different management styles and expectations (42%) in the two units.

Not only had we got the impression that the staff perceived their future merging partner as different but also we were assured that interpersonal conflicts are imminent between members of the two units when they start working together in the new building. Nurses were especially concerned about the two Head Nurses (RCCs) getting along with each other and being able to work effectively as a team due to their polar personalities and supervisory styles. Some respondents believed that the staff from the different units would start taking sides and engage in escalated tendencies. Such responses were mere proof to us that the staff was setting themselves up for failure based on their sole perceptions of cultural fit. We also got the feeling that respondents who associated the future combination of the two ECUs with conflicts were not looking forward to having this change initiative happen any time soon. They did not want to experience what they believed would take place in the new care facility with two now separate units working as one. Thus, the nurses' perceptions of the lack of a cultural fit between Alouette and Creekside appeared to affect their readiness for the upcoming merger.

Our findings were totally consistent with the conclusions found in the professional research literature proving the importance of taking into account the pre-integration cultural dynamics and its idiosyncratic expectations. Organizational culture is usually defined by organizational researchers as a general shared social understanding, resulting in commonly held assumptions, views and meanings of the world among organizational members (Chatterjee, 1992, p.320). Every group, corporate and otherwise, has a unique culture in the form of certain beliefs, values or schemas that have been shaped by its members' shared history, joint learning and

experiences. Employees use those schemas to anticipate and interpret environmental stimuli (Dackert, 2003, p.707). Thus, culture is a product of employees' sense making based on their interpretations and expectations of organizational events, such as a merger.

The existing research (Weber & Camerer, 1999; Cartwright, 2005) agrees that while it is difficult to precisely measure and study culture, it is very important to consider the possibility of a cultural fit between merging units. Evidences suggest that differences in culture often play a large role in producing merger failure. According to Dackert (2005), employees of the two organizations about to merge will see their own organizations as different from the other, which means that employees are unconsciously setting the success of the merger to failure. Similarly, Trice & Beyer claim (1993) that mergers presenting a huge disruption to a current organizational state often increase awareness of culture by precipitating conflict and polarizing differences. Chatterjee (1992) also confirms that support of the employees of integrating business units is contingent upon cultural fit, or the degree to which they perceive their culture is compatible. Thus, without this support from employees, the expected value from a merger is rarely realized.

3.3.3 Stressors associated with re-organization

Ironically, the RMH staff has yet to experience actual sources of stress associated with the merger because the relocation and combination of the ECUs have not taken place. From our interviews and with the survey questions, we were able to detect only one traditional source of stress-uncertainty about how the change will affect each employee personally. A lot of nurses commented that not knowing exactly what is going to happen with them in 10 months as a result of the merger adds to their nervousness and anxiety.

Anticipatory perceptions of the change appeared to be a source of major stress for many employees. We have found that many nurses from both the Alouette and Creekside units are

actually anticipating in their minds experiencing the multiple stresses that they perceive will be brought about by the future merger. Such living in the future causes a lot of stress to the employees. They draw dramatic mental images of the future stressors that do not exist in the present but might happen in the future whereby magnifying the detrimental impact of these negative mental images on their present psychological and physical condition. For instance, a lot of nurses imagine how hard it will be to tolerate a possible increase in the workload when the merger comes through and envision drastic conflicting incidents with the members of the other unit during the first days of working together as one manor. Imagining such stressful negative experiences seems to produce a stronger negative effect on nurses than when they are actually experiencing them. Clearly, negative anticipatory perceptions cause the stress to occur and cause nurses not to want this change to take place.

Professional literature takes a similar stance on the problem. Stressors are defined in the literature as the external demands of life or the internal attitudes and thoughts that require us to adapt (Charlesworth & Nathan, 2004, p.26). Stress is considered an integral part of any change project, especially a merger. Over time stress can contribute to an increase in personnel costs. This occurs when the ongoing pressure of change exceeds an individual's coping abilities (Conner, 1992, p.71). Studies indicate that the cost of stress to Canadian business is $13 billion annually (LeCraw, 1992, p.27).

It is a common opinion in recent research works (Robinson & Griffiths, 2005) that certain aspects of a merger cause employees to experience stress as a consequence of a dynamic transaction between a person and his environment that is appraised as potentially challenging, threatening or harmful, and which leads to efforts to resolve the appraised challenge through coping methods. Potential sources of the merger related stress include: loss of identity of information, job security, changes in personnel and work practices resulting in cultural

incongruence (Cartwright, 1993, p.330). Robinson and Griffith's study (2005) of merger impact on the employee stress level adds to the list of stressors. Increased workload was cited as the common source of stress by government employees undergoing a major restructuring effort followed by uncertainty and ambiguity about the direction of change, interpersonal conflict, unfair treatment and a perceived sense of loss associated with the substantial role transitions.

Anticipation of the future events is viewed as another source of major emotional stress. Our ability to imagine the future events that might or might not take place can trigger stress responses at any time and in any place (Charlesworth & Nathan, 2004, p.7). Besides, anticipation of experiencing other sources of stress as a result of the merger intensifies detrimental effects of other existing stressors on employees. Thus, anticipation effect, being a separate source of stress, also adds to exaggerating the overall negative effect of stresses on employees' physiological and psychological condition.

3.3.3.1 False impression effect-hidden source of stress

Throughout the course of our interviews, we were looking for signs of the false impression effect. However, we were not able to detect any at this stage of the RMH merger. All the employees we came into contact with appeared to be quite open and straightforward about they way they felt about the upcoming relocation and their attitudes toward management.

We were interested in locating this phenomenon because some of the research on the mergers' impact on the individual (Marks, 1988; Cartwright, 1993) noted that sometimes a false impression effect created in the process of a merger can serve as a hidden source of stress. It occurs when employees feel reluctant to express their anxieties for fear of jeopardizing their career prospects. Employees anticipate negative outcomes for themselves to take place if they show their true feelings about the upcoming merger. This negative mental picture of the

undesirable future scenario causes employees to experience pressure to appear outwardly "merger-fit" and willing and able to change to avoid negative images of the future to materialize. This dangerous attitude often leads to long-term dysfunctional stress as employees suppress their true feelings. Also, it might serve as an additional source of stress for employees experiencing the first signs of the merger apart from other stressors.

Besides, this "putting on a face" approach may deceive managers in their understanding of how well the merger is progressing. As a result, organizational leaders in this case are left unaware of any underlying stresses among employees and experience a false impression effect, which is a characteristic of many mergers. Realization of the problem may only occur when absenteeism or staff turnover reaches abnormally high levels or productivity declines (Cartwright, 1993, p.348).

Our team did not locate any overt signs of this problem currently. However, we still believe that it might exist in the hidden form amongst some employees at RMH. The fact that nurses felt comfortable opening up to us as independent outsiders does not mean that they behave the same way with management. This leads us to an assumption the problem of "merger-fit attitudes" still be present amongst RMH staff and secretly affecting the employees' feelings and attitudes toward this change project.

3.3.4 Rumours

We found rumours have a detrimental effect on the information deprived staff at RMH. Nurses from both Alouette and Creekside appeared to be starved for specific meaningful information in regards to the upcoming relocation. 90 per cent of our interview respondents said that there was a major shortage of information and their concerns had not been answered by managers. We were surprised with the number and groundlessness of the rumours circulating

around the manors. Management was viewed as not trustworthy, purposefully hiding important information from the staff in fear that employees would not like to hear it and quit. We have found that the trust problem resulting from the past issues between the staff and managers has actually become worse in the light of this major organizational restructuring. Almost 60 per cent of respondents stated that they do not trust their managers and did not believe they were told everything about the move.

Rumours did not seem to satisfy the information hunger the employees clearly experienced. On the contrary, the rumours appeared to make this hunger even stronger by creating even more questions and leaving employees with a huge uncertainty about what was going to happen. This in turn, increased the stress levels and negatively affected employees' desire/efforts to participate in this change project.

Research on rumours' effect on the employees at the pre-merger state mirrors our findings at RMH. Rumours that are defined as talk without any solid base of information normally exacerbate the anticipation effect (Kleinman, 1988, p.63). Researchers agree that employees who already expect worse things to occur out of the merger get hit hard by different often non –reliable stories associated with sensitive issues for the employees in the pre-merger state, such as layoffs, change in working conditions, change in pay benefits and personnel transfers. Rumours get created as people experience an informational hunger but rarely correspond to the reality. Sometimes, even the most uninformed and least credible source will be heard.

Rumours, according to Dan Kleinman, HR Manager at Pacific Bell, are one of the greatest destructive forces in any integration process (1988). Rumours heard from any other source than management, such as media, can cause a serious erosion of credibility. This effect is

especially detrimental on the initial pre-acquisition stage during the first few months following the announcement, the stage when the employees are particularly vulnerable (Davy, 1989, p.85). Rumours have the power to negatively affect employees' expectations through intensifying feeling of uncertainty and insecurity by providing different often false interpretations to the facts, events and people. As a result of anticipation of the negative events to occur, negative emotions are generated that can result in altered behaviour, decreased morale, reduced productivity, stress, illness, accidents, conflict on and off the job, and a total lack of commitment to making the merger work (Fink, 1988, p.61).

3.3.5 Employees' responses to a merger due to anticipatory perceptions

The interviewed employees from both Alouette and Creekside did not show many disturbing behaviours, which we expected. For instance, we did not see any demonstration of competitive spirit amongst nurses in the light of the upcoming stressful change probably due to the particular non-competitive atmosphere in public organizations. We also did not detect any signs of negative health outcomes at this stage of the merger based on nurses' self-report. However, some signs of burnout such as bickering, emotional exhaustion and lack of desire to take on extra responsibilities in regards to the relocation were definitely present.

We came across a lot of positive responses from employees. For instance, we often heard from them that changes are imminent and they will be able to adapt to whatever happens. Many nurses, even those who perceived the merger as negative, consciously chose to accept it instead of fighting it (50%). The intention to quit was not as common among our interviewees as we expected, only 15.8%. Also, there was a strong spirit of cohesiveness and identification with the care unit found in the responses from many nurses. Many nurses indicated the increasing need to talk to their co-workers about the upcoming merger not only to find out news about it but also to share their concerns with each other and receive emotional support. Knowing that everybody else

is experiencing the same feelings helped employees alleviate their stresses. Correspondingly, members of the other unit were regarded as adversaries and sources of potential trouble in the future.

The literature (Dackert, 2003; Robinson & Griffiths, 2005; Davy, 1989; Greenglass & Burke, 2002; Fink, 1988; Cartwright and Cooper, 1993; Iverson & Pullman, 2000) partially agrees with our findings and states slightly different responses that employees in pre-merger situations normally exhibit:

1. Employees in the pre-merger stage being under the influence of stressors normally form strong expectations that downsizing will take place, with major implications for their own jobs and working environments. To reduce uncertainty, employees in merger partners might develop a very strong cohesiveness with the organization and intensify their identification, which makes the encounter between the two merging employee groups very difficult. As result, a "them-and-us" attitude develops and the merger partner is perceived as an invading enemy. Employees tend to have nostalgic feelings about their prior organization, favour their organization and criticize their merging partner. It is also typical for employees in this circumstance to seek emotional support from each other in an effort to get moral support, sympathy or just having a chat with co-workers.

2. Another typical response of employees driven by negative expectations of future job insecurity after the announcement of the merger is that they become competitive toward each other. The staff's primary concern is to keep their own jobs, which seems challenging when the employees' imaginations emphasize the

scarcity mode. Their fellow-co-worker is then regarded as a rival that potentially can be chosen over them. Such thinking escalates conflicts among employees as they express openly and vocally their negative emotional feelings to others, including managers, and seek confrontation with peers and superiors to vent emotions. But on a positive note, it encourages employees to choose a task – centred coping strategy, such as working harder and longer hours sacrificing their home life in the perceived atmosphere of competitiveness.

3. Psychological withdrawal is another common response to an organizational restructuring as employees feel as if they have no control over their lives. In an attempt to regain control that is perceived to be lost, employees often engage in displaying a withdrawal from activities that involve the agent or the agent himself who is thought to be responsible for the lack of control. Perceived loss of control make employees' work attitudes become more negative.

4. Organization burnout due to the escalation of stressors is a common phenomenon that occurs as a result of merger anticipation. Burnout is defined as a special type of prolonged exposure to occupational stress and results from interpersonal demands at work. There are three different aspects of psychological burnout identified in the literature: emotional exhaustion, when employees feel totally overextended and drained by others; depersonalization in the form of a callous response toward recipients of one's service and lack of personal accomplishment when a person experiences a decline in his feeling of competence and successful achievement in his work with people.

5. Given the stress and its anticipation that accompanies this kind of uncertainty associated with a merger, employees are particularly prone to developing negative health outcomes. The mental well-being of employees going through the organizational merger is often adversely affected. Employees reacted to an organizational restructuring by experiencing fatigue, over-or under-eating, use of drugs or excessive in-take of alcohol. Other symptoms may include high blood pressure, migraine and tension headaches, muscle aches, sleeplessness, trembling or muscle tics.

6. Some employees choose to deal with their expectations of the merger implications by applying cognitive strategies. They come to terms with the reality by realizing that a merger is imminent and trying to positively reappraise it. In this case, employees tend to work harder by trying to add value to the organization and to reduce their job insecurity.

7. Ultimately, there are employees who find themselves unable to cope with the stress brought about by the announcement of a merger and negative expectations of its implications. They will try to remove themselves from this type of situation by quitting before they get to experience their negative anticipations in reality.

3.4 Impact of employees' responses to a merger on the organization

It was obvious from the interviews with the RMH staff that the employees' commitment to the change effort was low as a result of management not involving staff enough in making the crucial decisions related to the relocation. It was also noticeable that nurses experienced (40%) low morale as they were referring to the management and the overall change project with cynicism by rolling their eyes. However, all the nurses vigorously claimed that their seemingly

poor attitudes about the merger did not have any affect on their professional services toward the residents. They all assured us that their performance would stay at the same high level no matter what happens with the units because it is not the residents' fault.

During the interviews we found that 42 per cent of employees are openly cynical about future relocation. A few nurses appeared quite overwhelmed with the upcoming move to the new manor to the extent that they were seriously going to quit and were already looking for jobs in other places. Others (15%) were looking into different options of upgrading their professional level to be able to apply themselves in another capacity and in other units if required. Obviously, their sense of loyalty to their current care unit was down.

We did not gather any evidence to prove that the number and severity of interpersonal conflicts amongst staff escalated after the merger plans were announced. On the contrary, some nurses mentioned that they started appreciating more their current position and other co-workers in the light of the upcoming organizational restructuring. A group of nurses (37%) seemed to be very excited about moving to a new care facility and working with new residents in new teams composed of both Alouette and Creekside members. Those nurses confirmed that they totally trusted the management and would never leave the organization unless they really had to. They were looking forward to moving to the new place and tried to cheer their co-workers up rather than try to bring them down.

Our findings were consistent with the findings found in the professional literature. A common opinion across the recent research works is that expectancy of merger and fears of future survival, rather than an actual merger itself, triggers major merger stress in employees who in response tend to exhibit negative reactions toward the organization (Cartwright & Cooper, 1993, p.357). This mode of thinking produces a culture erosion effect. It was found that individuals' job

events-related anticipations influence accordingly the organizationally- relevant outcomes such as job satisfaction, organizational commitment, intentions to leave, job survival and job performance (Cherry, 2003, p.376; Ferres, 2005, p.86; Iverson & Pullman, 2000, p.998).

According to the Weber and Camerer study, the perceived differences in culture between the merging companies and the negative expectations of the merger outcomes led to consistent decreased performance for both firms after the merger, incidents of escalating conflict and mistaken blame as well as a high turnover rate (Weber & Camerer, 2003, p.412). Similarly, Cartwright and Cooper (1993) state that the adverse impact of expectations of cultural incongruity results in low levels of organizational commitment and job satisfaction.

Laschinger (2001) points out that apart from the reduced job satisfaction, organizational commitment and increased intention to quit; decreased morale and loyalty to the organization are the consequences of employees' reactions to the perceived acquisition effects. Such negative emotions as depression, anxiety, chronic indecisiveness and loneliness often accompany employees' responses. As a result, employees disconnect from the organization. If alternative job opportunities exist, employees will completely disconnect from the organization by quitting, which translates into lost revenue on recruiting, training and productivity (Davy, 1989, p.84).

Poor employee attitudes can ultimately affect an organization's productivity and ability to make a merger a success undermining as a result, financial performance of the organization (Deery & Iverson, 1996, p.86). If employees' problems are not realized and addressed at the pre-merger stage and during the transitional period, not only will employees suffer but also the organization as a whole may sustain irreparable damage: employee reactions to a merger could be extremely costly to the organization and could easily undermine aspects of the corporate strategy that led to the activity in the first place (Schweiger & Denisi, 1999, p.133)

Positive anticipation of a merger based on the present perception of employees' trust toward the organization produces positive outcomes for the company. For example, Guest (1998) stated that organizational trust is a significant component of an employee's psychological contract, suggesting that greater trust leads to increased commitment, increased organizational citizenship behaviours and decreased intention to leave the organization. Specifically, where employers earn the trust of employees, perceptions of contract breach manifested in negative attitudes and behaviours are less likely to occur (Ferres, 2005, p.87).

3.5 Strategies suggested by the literature

Recommendations proposed by our SMBA team to the RMH management (stated in chapter two) to ensure a positive smooth transition of the two ECUs to a new location are in strategic agreement with the methods found in the research literature to combat negative anticipatory perceptions. It is especially interesting that our general recommendations offered to help with the overall units' integration are congruent with the literature's specific recommendations to minimize the negative effects of anticipatory perceptions on employees at the pre-merger stage. Such a good fit suggests that dealing with anticipatory perceptions at the preparatory phase of the merger process is beneficial for the overall transition process, and therefore, should be included in the planning of every successful merger.

We have also proposed some specific recommendations related to the unique situation at RMH. These did not find representation in the recent research but would certainly be useful to take into account. These include: promoting synergistic relationships between the merging units before the actual merger, help employees to let go of their old ways of doing things and branding new identity. Along with other strategies these steps will definitely help reduce such major causes of anticipatory perceptions as stress and perceptions of cultural fit, and will have a positive affect on the employees' attitudes toward the upcoming merger.

The literature (Ferres, 2005; Marks & Mirvis, 1992; Weber & Camerer, 2003; Appelbaum, 2000) agrees that early strategic planning at the pre-merger stage can minimize and even prevent negative employees' responses to the merger. Common in the literature the number one strategy is for managers to develop awareness of the situation: how employees truly feel about the upcoming merger and what their major concerns and fears are. Awareness will allow management to proactively develop programs that will address employees' initial expectations and to head off subsequent negative attitudinal and behavioural responses before they occur.

According to Marks and Mirvis research (1992), a significant step at the pre-merger stage is a continuous monitoring of the situations to address the problems that arise in a timely manner. The literature (Kleinman, 1988, p.63; Davy, 1989, p.88, Schweiger & Denisi, 1999, p.133) often cites management communication programs as a common example of monitoring. Such programs are designed to keep employees informed of changes, the reasons for the changes, and specify how future changes will affect employees individually. The program should be implemented throughout the entire transition period addressing both specific and broader issues such as job security, the uncertainty of the situation, rumours and the stress that everyone is under during this period of change. Information should be timely, comprehensive, repeated in as many forms as possible through all the credible sources. When information about the upcoming merger is provided through open, honest communication it has been found that it increases individuals' sense of control, fosters more positive employee attitudes and reduces psychological withdrawal and increased employee turnover (Davy, 1989, p.88). As a part of the tracking program, employee attitude surveys and confidential interviews conducted by outside vendors should take place in the initial stage of the integration as well as 12 to 18 months after the merger occurs to obtain exact information on employees' attitudes in regards to the new organization (Marks & Mirvis, 1992, p.78).

Appelbaum (2000) proposes that managers should develop the ability for helping employees feel comfortable and important during the merger and within the new organization by making an effort to listen to employees' fears and concerns as well as encourage employees' active participation in developing the direction of change. Through active involvement of employees regarding the processes and direction of restructuring, information is provided and employees gain a sense of working together with the administration during the restructuring (Greenglass & Burke, 2002, p.94). This way, staff will be provided with needed organizational support, the perceived presence of which is critical in developing employees' expectations of the merger (Ferres, 2005, p.87: Armstrong-Stassen, 2001, p.159). Also, managers should only make promises that they can keep. Broken promises will result in angered, dissatisfied, and betrayed employees who will not devote their 100 percent effort in making a merger succeed.

In addition, a stress management program that an organization can offer to its employees was popular advice through out the literature (Charlesworth & Nathan, 2004; Davy, 1989). Stress management programs will help employees recognize the sources of stress and develop effective coping skills to deal with the stress (Fink, 1988, p.66). Other counselling programs should be available for the employees and their families. This way, employees will develop a favourable perception of the management that demonstrates commitment to support their employees in this difficult transition period. Employees will think that the management cares about their well-being, which will enhance management's credibility with employees and will improve the level of trust between employees and managers.

It is suggested to offer outplacement programs for employees who lost their jobs through downsizing (Fink, 1988; Davy, 1989). This strategy will have a positive impact on employees still working for the organization. Outplacement programs tend to reduce fears concerning job loss and provide a signal to employees that the organization cares about its work force.

Employees report higher levels of organizational commitment, job satisfaction, and intentions to stay with the organization when outplacement programs are in place.

It is also recommended to establish a transitional team consisting of OD and training specialists as well as employees from all levels of the organization to monitor employee problems and develop programs to deal with these problems (Shield, 2002). Such a team will help management predict employees' attitudinal and behavioural responses because members of this team are in close contact with the employees at all levels of the organization (Dackert, 2005).

All of the above mentioned strategies will help minimize the negative effects of employees' anticipations of the future organizational restructuring that lead to harmful for the companies results in terms of lost profit and decreased competitive advantage.

4 REFLECTION ON WHAT I LEARNED DURING MY FIELD PROJECT

It was a rewarding and very insightful assignment that opened my eyes to issues I have never thought about. This field project enriched my experiences in ways that helped me discover and advance new skills I did not think I had prior to this assignment and deepened my understanding of the unintentional but detrimental effects that organizational restructuring can have on employees engaged in constant anticipation of this event. It also allowed me to apply a great body of the theoretical knowledge and practical tools I have acquired throughout the MBA program.

While working on this project, I realized how relevant and overall beneficial my previous education was in handling such an assignment as the cultural audit at the organizational level. The substantial amount of theory on organizational change, clear leadership, HR issues and valuable practical skills we were taught in the program such as interview conducting skills, designing surveys, ability to express our thoughts/feelings and listen to other people effectively proved to be very useful. I felt that I was well equipped in this field project.

I learnt from my own mistakes during the first interview about the right way to conduct interviews so as to solicit the quality input from the interviewees in an amicable and trustworthy manner. I realized that reading the questions from a list in a structured methodical way in an effort to cover all the prepared questions kills the spontaneity of the conversation thereby minimizing the richness of information and creating a rigid formal environment not conducive to sharing genuine feelings. I learnt to adapt to each person's style. All my interviewees were different individuals with different experiences, points of view and each required a customized approach. Applying this strategy allowed me to uncover some significant deep issues that employees had in regards to the organizational change, issues we could not even think of when

we were designing our interview questions and would not be able to learn about if I stuck to the original standard format.

I was surprised how diverse people's opinions could be on the same matter. Employees working for the same organization, doing a similar type of job, of approximately the same age had such different attitudes and approaches to the upcoming merger. I would attribute this diversity to the difference in people's personality and life experiences. I also found that the education factor played a significant role in determining the nurses' responses to the merger. Those with a higher education seemed to have more mature rational attitudes and had a much higher level of job security comparing to those who had just a basic education.

I also noticed that nurses coming from a different ethnic background, for example countries of the former Soviet bloc in particular (immigrants from Bulgaria and Poland), have a totally different opinion of the management compared to the local nurses. According to their cultural upbringing, nurses that were former immigrants tended to display a high respect and understanding for the management's actions appreciating their current positions and were fearful of criticizing "the boss". They also had a radically different opinion of the upcoming merger in a way that they were excited and optimistic about the relocation and tended to minimize the difficulties associated with it. Both cultural differences and a particular immigrants' personality (willing to move, take risks and adapt) definitely affected employees' responses toward organizational changes and authorities.

I obtained a lot from just talking to some nurses. It was a pleasure conversing with mature people who worked in this industry and for RMH in particular for a long time and accumulated a practical wisdom, which they gladly shared with me making our conversation very instructive for me in all areas. Many of them experienced a great deal of hardships, both personally and professionally, which taught them that the best way to cope with changes was to

expect changes to occur and to believe in its utmost positive purpose. I have heard some great examples that the organizational change theories from our classroom actually do work in reality. One of the nurses put it best, "You have to be like a willow in the wind: if you do not bend the wind will break you".

This field project was also beneficial for my personal quest in a way that it helped me to get more in touch with my own values. There was something profound and noble about what the RMH employees were doing for a living. I was touched by the amount of love and care the nurses we interviewed expressed toward their patients. I have never met so many people concentrated in one single place that would be so preoccupied with the well-being of people they serve. It could be attributed to the kind of job the employees were engaged in the Extended Care Units: nurses essentially cared for the sick old people who could not perform basic functions and tried their best to create a home like atmosphere for these residents. I knew that only loving, caring and very kind people were capable of working selflessly with almost a motherly love toward their residents long shift hours for the average pay. I felt absolutely compelled to help these people.

4.1.1 Becoming aware of the anticipatory perceptions

Anticipatory perceptions played an important role for me personally in this field project. When we received the first brief description by our Project Supervisor, our field assignment appeared to be serious and complex. Long before our team had begun working, I caught myself thinking about how our assignment would progress: what kind of people we would meet and their reaction toward our work, how the managers would want us to apply our skills and knowledge in order to help them and whether we would be able to satisfy their requirements, whether we would meet the project deadline and if not what we would do, etc. But having limited information at the time about the nature and details of the assignment itself and very little experience working with public organizations on consulting projects, I had to draw from my own past professional

experiences, from conversations with people who had done a field project like this or knew somebody who did, from my current understanding of and associations with similar assignments and types of organizations. I felt I needed to fill in the gaps by creating mental imageries of the future situation to minimize that torturing sense of uncertainty and fear of failure, which was quite stressful considering that my chances to graduate from the program were at stake.

However, since the input into my imagery was not always positive, some of my mental projections regarding the success of the project were quite disturbing. Without realizing the powerful effect these mental images had on my subsequent emotions and actions, I kept on going because the process helped minimize the future uncertainty. As a result, negative anticipations of future events led me to feel very uncomfortable during our first meeting with managers as I perceived them to hold a lot of power over my personal situation with the project. I was very self-conscious and was afraid to make a mistake or say the wrong thing. I probably came across as an unconfident shy person who was not able to communicate her thoughts clearly.

I had been engaged in this unproductive behaviour until I realized that I was setting myself up for failure. I was able to consciously put a stop to it and was pleasantly surprised to see the difference in the way I felt as well as in my behaviour and the positive responses from our clients. It was a powerful lesson that I learnt in the very beginning of this assignment, which opened my eyes on the destructive behavioural pattern I was unconsciously using in the previous situations but was not able to detect earlier. It also helped me choose the main theme for my project as it was certainly a topic I felt passionate about and wanted to explore further.

Besides, I suspected that other people, with RMH employees not being an exception, unconsciously experience similar problems in organizational settings on a day-to-day basis. I thought that the "anticipatory perceptions problem" would negatively affect employees' job satisfaction and performance especially if such an unsettling type of change as a merger is about

to take place at a hospital or any organization. My hypothesis proved to be correct as the professional research stipulates and our findings show. The difference was only in the degree of intensity the anticipatory perceptions were demonstrated in our study and in the works of other scholars, which can be explained by the differences in the industries, organizational, subgroup and individual characteristics of the organizations under study. As multiple professional sources indicate, the anticipatory perceptions are present in the every day's life and if left unattended can potentially produce a negative impact on employees' readiness for change.

4.2   What did we do right?

I found it very useful to start our project by meeting and spending the whole working day with the managers, the coordinating committee and the OD consultant involved in the change effort. It produced a reconnaissance effect that gave us the overall feel of the situation at RMH. It was beneficial to watch the managers and the committee interact with each other and hear their version of the story. Apart from their insights on the change initiative, we were picking up on non-verbal cues from their body language and tone of voice, assessing their leadership style from their comments and getting ideas on the existing organizational culture in the units from the management perspective to compare it later with the employees' opinions.

I feel proud about the fact that our team was able to effectively use data gathering tools to obtain valuable accurate information from the RMH employees. This step proved to be rather significant as it allowed us to critically assess received data and as a result, to offer credible practical recommendations for management. If applied, our recommendations could potentially result in a smoother more effective transition of Alouette and Creekside to the new facility.

We definitely worked effectively as a team in a collaborative fashion brainstorming ideas, delegating responsibilities and using the system of checks and balances on each other's

contributions. It seems incredible how we managed to accomplish such a complex assignment in a small time window, being geographically dispersed all over the Lower Mainland and struggling with conflicting responsibilities. While working on the project, we had our fair share of differences that often resulted in conflicts. However, we were able to resolve our misunderstandings stemming mostly from ineffective communication and anxiety over the looming deadlines by using Clear Leadership (Bushe, 2001) skills.

Another factor that contributed to our productive team work and helped keep our clients satisfied was that in the very beginning of our project we made a point of striving for effective communication among team members and the client. We kept our Project Supervisor and managers at RMH abreast of all the developments and progresses during each step of the project as well as we shared all available information regarding the project amongst ourselves.

And last but I think the most important thing we did right was that we made our interviewees feel important by taking an interest in their opinion and being able to empathise with their situation. Those nurses possessed so much valuable information that they had accumulated over a long period of time working for RMH, this information they tried to share directly with managers but were not heard or understood correctly. They certainly appreciated us taking time to talk to them and making every effort to voice out their true concerns.

4.3 What did we do wrong?

From the very beginning of the project, our team was unrealistic about our timeline. We thought we would just come in, quickly diagnose the main problems and recommend to the managers what to do. We forgot to take into account the fact that Ridge Meadows Hospital is a public organization with a hierarchical bureaucratic structure and in order to conduct such a major project as a change audit, there would need to be a lot of time and patience available. A late and

relaxed start was a big mistake. Scheduling our first meeting with managers and the OD Consultant took us almost a month. A lengthy approval process from the Ethics Committee and the various Unions took us another month. Provided our time constraints in regards to the project's deadline the delay in regard to basic preliminary processes caused us a lot of nerves. We could not begin scheduling our interviews without receiving all the necessary approvals from all the professional organizations involved. Seemingly harmless formalities appeared to eat away a big chunk of our precious and already scarce time. Besides, we did not take into account the fact that each deliverable that we were to present to our client would need to be re-done multiple times to satisfy the exact preferences of our Project Supervisor and the Unit Managers.

Another mistake that we unintentionally made was that during the course of the interviews we might have given employees false hopes that the concerns they voiced to us would be addressed by the management. We originally wanted to be portrayed as independent outsiders who were not taking any sides but with that approach it was to establish a warm trust filled atmosphere with the interviewees. But after listening to their heart-felt stories and literally feeling their pain we could not help leaning toward the employees' position.

But we did hear some authoritative comments from Beverly and Glenda, such as "we do not want our employees to think that there is any room for negotiation" and was told stories about the previous managers' behaviour when they solicited input from the employees regarding the change project and did not implement any of the employees' suggestions. However, we felt emotionally invested in the project and hoped that we would be able to make real changes around the manors provided that we were assured by managers that our recommendations would be carefully considered and applied.

In hindsight, I see that it was obvious from the very beginning that managers had already made up their minds in regards to the crucial decisions concerning the future relocation. They

also meant well when they requested us to gather the employees' feedback on the direction and process of the change effort as they apparently wanted to make staff feel important and involved as well as to know exactly what was going on in the minds of their employees. However, I got the impression from the final meeting with the managers that our recommendations regardless of their accuracy and usefulness would not be a reason for any dramatic course correction in the change project at RMH.

4.4 What would I have done differently in the future?

If I had a choice in the future, I would have never had worked on such a serious project of such a magnitude and importance in conjunction with the various other conflicting responsibilities as were other mandatory classes in our case. Such a conflict of commitments added a lot of negative stress and anxiety into our lives and possibly diminished the quality and depth of our analysis and recommendations. Not being able to fully concentrate our total energy on completing this assignment also took away from our enjoyment of the work.

If I ever have to work again on a project for a public organization, I will definitely be prepared and account for the bureaucratic tendencies characteristic of this heavily unionized, change averse, hierarchical type of business. It has become apparent to me that public organizations require a totally different approach from the one that works for a private firm. In the future, I would have handled a similar assignment with more patience and flexibility, having plenty of time at my disposal and adjusted expectations in regards to my realistic abilities to pull the dramatic changes off. Besides, it was my first professional experience of dealing with a public unionized organization. I have always worked in the private sector. This field project helped me sort out my employment preferences. I am very aware now that I would have difficulty adapting to and getting satisfaction from working for the public organization.

Despite the fact that I evaluate our overall teamwork as effective, there were certain areas that I thought could be improved in the future. For example, I would characterize our team's approach to this project as rather perfectionist: we spent so much time concerning ourselves with the miniscule issues around each task by putting too much time and effort to get the first version of our deliverables done. This fear to make a mistake resulted in an increased amount of stress and loss of valuable time. It also doubled our work load because after we received the feedback from our Project Supervisor and the managers we had to make substantial changes to the original draft. In the future, I would balance our teamwork rationally ensuring that we are not investing upfront a tremendous amount of effort but distributing it evenly before and after we receive the feedback from the end receivers.

Also, in future consulting assignments, I would work on acquiring a more professional and impartial attitude toward the client. Being emotional seemed to cloud my judgments and impaired my critical thinking. There is a fine line between being empathetic toward and becoming emotionally attached to the interviewee's situation. In the future, I would make a conscious effort to keep up a slightly detached approach to the project.

5 CONCLUSION

Anticipatory perceptions seem to play an important role in the success of the merger. Employees' anticipation of an upcoming organizational restructuring associated with multiple negative implications appears to be a big problem at the pre-merger state in organizations. Drawing negative mental images of the future event multiplies the damage employees receive from many perceived stressors brought about by organizational restructuring. Employees' reactions to the upcoming merger stressors are exacerbated by unsubstantiated rumours and the negative perceptions employees unconsciously attribute to the merger. Anticipation of a merger exaggerates the negative effects of a merger by impacting employees' responses. The majority of factors that cause these perceptions to occur can be controlled by the managers. Therefore, it is imperative for managers to account for the effect the anticipatory perceptions have on employees in regards to their readiness for change. To summon a genuine commitment to the organizational change, employees' expectations should be addressed at the pre-merger stage. That will also help prevent or at least minimize any further damage to the employees' psychological and physical health and will drastically improve chances for the successful organizational change.

APPENDICES

Appendix A

Employee Information and Consent Form

RMH ECU Manors: Study on Employee Opinions, Attitudes, and Knowledge on Change Initiative to Move to New Medical Facility

Principal Investigator: Pam Theriault, MA/ABS, RCC,

Organizational Development Consultant, People Development, Fraser Health Authority
604.476.7157

Co-Investigators: Ashley Bennington, Natalia Stables, William Archibald

MBA Candidates, Simon Fraser University

604.476.6688, 604.512.4762, 604.469.1512 (Respectively)

Sponsor: SFU Business, Simon Fraser University

Invitation to Participate

You are being invited to participate in this research study in order to voice information regarding concerns, attitudes, and knowledge of a change initiative in the RMH ECU manors: the move to the new medical facility due open in May 2006.

Voluntary Participation

Your participation is entirely voluntary, so it is up to you to decide whether or not to take part in this study. Before you decide, it is important for you to understand what the research involves. This consent form will tell you about the study, why the research is being done, and what will happen to you during the study. If you wish to participate, you will be asked to sign this form. The form will be kept in a sealed envelope by the MBA students and filed away until the study is completed, and then the documents will be destroyed. If you do decide to take part in this study, you are still free to withdraw at any time and without giving any reasons for your decision. If you do not wish to participate, you do not have to provide any reason for your decision not to participate and can leave now with no consequences. We thank you for your consideration.

Who Is Conducting The Study?

This study of employee concerns, attitudes, and knowledge of the change initiative is being conducted by three MBA students from Simon Fraser University, under the guidance of the Fraser Health Authority's People Development Department. The students are not being compensated in any way by the Fraser Health Authority, and are conducting the study in partial fulfilment of their graduation requirements.

Background

Currently, two ECU manors operate at RMH: Alouette and Creekside. As of this date, a new building is under construction to provide more space to the hospital, and both ECU manors will be merged into the new building in May of 2006. Employees of the ECU manors have voiced some concerns regarding this change initiative.

Purpose of Study

The purpose of this study is gain insight into the issues identified by employees in order to provide recommendations to allow for a smooth transition into the new building in 2006. Anonymous one-on-one interviews will be conducted by the MBA students to record issues raised by employees, and these issues will be counted thematically to highlight their prevalence. These issues will then be considered in the construction of a survey by the MBA students, which will be handed out to all employees at the ECU manors later.

What does this study involve?

Anonymous, one-on-one interviews will be conducted by an MBA student and a number of questions will be asked. Employees are encouraged to give honest and detailed responses to the best of their knowledge. Employees should indicate when they feel they have answered the question in full, or if they wish to not respond to the question. Employees can withdraw participation or responses at any time with no consequences. Employees will be interviewed during their shift and will be paid their regular wages. The MBA students will be recording responses from employees for analysis at a later day, but no identifying information will be collected for confidentiality purposes.

Signatures

Employee Signature: _____   Date: _____

MBA Student Signature: _____   Date: _____

Appendix B

Prescript for the interviews

3 students in the Leadership and Organizational Change department of the SFU MBA program have offered to conduct a study of the organizational changes being undertaken by RMH during the period May 2005 – March 2006. In particular, the students will be examining the merging of Alouette and Creekside Extended Care Units. This study forms a part of the degree requirements to complete their Master's degrees. They would like to interview a selected few of the staff affected by the changes at RMH in order to develop themes for designing a survey that will be circulated to all staff. The survey will provide the data for a quantitative analysis of the responses.

All the interviews and surveys will remain anonymous and no names will be associated with any response. All the raw notes and results from the interviews and surveys will be kept by the students. All participants' responses will be kept strictly confidential, seen only by the students and their academic supervisor. The aggregated results from the interviews and surveys will be shared with RMH management in a report to be delivered in July. Once all the requirements for the Master's Project and graduation have been met, the raw data from the interviews and survey will be destroyed.

Appendix C

Staff Interview questions

June 15, 2005

1) What do you value the most about working at Alouette/Creekside?

2) As you think about your experience with Alouette/Creekside, please tell me about a time when you really enjoyed working & producing some great results? What made this possible? What was ESSENTIAL to having this happen?

3) When was the time you felt your talents were most successfully utilized by the Alouette/Creekside management? What is most important about this experience? Who was involved? What made this possible?

4) What do you know about the upcoming relocation and combination of Alouette and Creekside care units?

5) Do you think that you possess enough information about this change?

6) What is your understanding about any "staff reconfigurations" that might occur under this reorganization?

7) In relation to your job and your ability to serve the residents in the new facility, what factors do you believe will require careful attention and planning?

8) What level of involvement would you like to have in implementing changes, such as changing the staffing mix, service delivery, or job duties?

9) How far in advance would you like to know where and in what capacity you will be working in the new building? What kind of information would you like to have?

10) As a result of this relocation and combination you will be working with new residents. How will you feel working with new residents and working less with your current residents?

11) In your opinion are there significant differences in how you work and how staff at the other manor work that may create challenges?

12) What would you like to see happen ideally with the change in the care delivery?

13) Are you aware of the Eden Philosophy? Do you understand it? Do you believe in its possibilities? Do you think it is important for the manors to continue with the move forward with its principles? Do you think that the Eden philosophy improves the quality of life for the residents? Why?

14) Do you think that the planning process for moving to the new building has been effective to date? Is there anything you would like to see done differently?

15) Is there anything you think I should know about the upcoming changes and how it is currently being managed that I haven't asked you?

Appendix D

Survey questions

FVH - Employee Survey - July 2005

RMH ECU Manors: Survey on Employee Opinions, Attitudes, and Knowledge on Relocation to New Medical Facility

INSTRUCTIONS:

Please indicate your level of agreement with the following statements by circling the appropriate statement

Agree strongly
Agree somewhat
Neither Agree or Disagree
Disagree somewhat
Disagree strongly

1. The new building will serve our residents' needs better than the existing facilities

2. I feel optimistic about the relocation of the Manors to a new facility

3. I am concerned about equipment being accessible and available to allow me to do my job well

4. The quality of our residents' life will be higher in the new building

5. The layout of the new facility will enable me to perform my job more effectively

6. I am concerned that staffing levels may not be adequate in the new facility

7. I am concerned that I may not work with the same residents in the new facility

8. I currently have sufficient independence to make decisions related to my job

9. I currently have sufficient collaboration between myself and other staff members in my job

10. I currently have sufficient input into decisions that affect my workload

11. I am not worried about changes to team configurations resulting from the relocation

12. I have no difficulty working with staff who are members of other professional designations (RN, LPN, RCA, etc.)

13. I am worried that the new facility will be privatized

14. I am concerned that efforts to reduce costs will result in downsizing and job losses after the relocation

15. I am concerned that my job will be eliminated as a result of the relocation

16. Staff from both Manors will work well together during the transition to the new building

17. My manager is making sufficient efforts to plan the changes that will affect my job

18. I am concerned that different work practices in Alouette and Creekside Manor will cause conflict in the new building

19. My manager understands what I need to know about the relocation

20. I have received sufficient information to date about how the relocation will affect my job

21. My manager is telling me everything she knows about the relocation to date

22. My manager shares my commitment to providing excellent resident care

23. Senior management shares my commitment to providing excellent resident care

24. My manager is making her best efforts to share information with me

25. I have sufficient knowledge about how my job will be impacted by new staff configurations

26. I am anxious about possible required changes to my job

The following information about changes to my job is very important to me:

27 ••duties and responsibilities

28 ••co-workers

29 ••job configuration and processes

30 ••area of coverage

31 ••number of residents under my care

32 ••shift schedules

33 ••equipment and supplies

34 ••meeting rooms

35 ••office space

36. I would like more input and involvement in future decisions regarding the relocation

37. I would like an opportunity to brainstorm with my co-workers about plans for the new building

38. My input is valued by my manager

39. Input from residents is important in designing the new facility

40. The needs of our residents are being considered by my manager when planning the transition for the new building

41. I have sufficient influence over decisions that are made regarding the relocation to the new building

What suggestions do you have to help ease the process of combining the two extended care units into one?

_____

_____
_____
_____
_____

Please provide any other comments you have regarding your job and/or the relocation of Alouette and Creekside Manors:

_____

_____
_____
_____
_____

Which designation currently describes your job?

1. RN
2. LPN
3. OT, RT, PT
4. RCA
5. Other (Less then 2 Yrs post secondary education)
6. Other (More than 2 Yrs post secondary education)

How long have you worked in the ECU?

1. Less than 6 months
2. 6 months - 2 years
3. 2 - 4 years
4. 4 - 10 years
5. 7-10 years
6. 10+ years

Please indicate the manor you currently work for:

1. Alouette
2. Creekside
3. Gardenview
4. Other (Indicate)

REFERENCE LIST

Appelbaum, S., Gandell, J., Yortis, H., Proper, S., & Jobin, F. (2000). Anatomy of a merger: behavior of organizational factors and processes throughout the pre-during-post-stages. *Management Decision, 38* (9), p.649-68

Armstrong-Stassen, M, Cameron, S., Mantler, & Horsburgh, M. (2001). The impact of hospital amalgamation on the job attitudes of nurses. *Canadian Journal of Administrative Sciences, 9* (18), 149-59

Bagozzi, R., Dholaka, U., & Basuroy, S. (2003). How effortful decisions get enacted. *Journal of Behavioural Decision Making, 16,* p.273-295

Baron, J. (2005). The effect of normative beliefs on anticipated emotions. *Department of Psychology University of Pennsylvania.* Retrieved June 7, 2005, from http://www.sas.upenn.edu/~baron/mac.html

Bishop, J., Goldsby M., & Neck, C. (2001). Who goes? Who cares? Who stays? Who wants to? The role of contingent workers and corporate layoff practices. Journal of Managerial Psychology, 17 (4), p.298–315

Bushe, G. (2004). Clear Leadership. (1st ed.). Palo A lot, California: Davies-Black Publishing

Boardman, K., Kelpe, M., Straub, D., & VanFleet R. (2003). Shining through a merger. Nursing Management, 34 (5), p. 45-50

Bridges, W. (2003). Managing transitions: making *the most of change* (2nd rev. ed.). Perseus Books Group.

Cartwright, S. (2005). Mergers and Acquisitions: and update and appraisal. *International Review of Industrial and Organizational Psychology, 20,* p.1-38

Cartwright, S., & Cooper, C. (1993). The psychological impact of merger and acquisition on the individual: a study of building society managers. *Human Relations, 46* (3), p.327-48

Charlesworth, E. & Nathan, R. (2004). *Stress Management* (3rd rev. ed). New York: Ballantine Books.

Chatterjee, S., Lubatkin, M., Schweiger, D, & Weber, Y. (1992). Cultural differences and shareholder value in related mergers. *Strategic Management Journal,* 13 (5), p.319-34

Cherry, B., Ordonez, L., & Gilliand, S. (2003). The effects of expectations on fairness and satisfaction perceptions. *Journal of Behavioural Decision Making,* 16, p.375-95

Conner, D. (1992). *Managing at the speed of change* (New edition.). Toronto, Canada, Random House of Canada Limited, Villard Books.

Dackert, I., Jackson, P., Brenner, S, & Johansson, C. (2003). Eliciting and analyzing employees' expectations of a merger. *Human Relations,* 56 (6), p.705-25

Davy, J., Kinicki, A., Scheck, C., & Kilroy, J. (1989). Acquisitions make employees worry. *The Personnel Administrator,* 34 (8)

Deery, M, & Iverson, R. (1996). Enhancing productivity. *Productivity Management in Hospitality and Tourism,*5, p.69-95

Ferres, N., Connel, J., & Travaglione, A. (2005). The effect of future redeployment on organizational trust. *Strategic change*, 14 (4), p.77-91

Fink, C. (1988). The impact of mergers on employees. *The Health Care Supervisor*, 7 (1), p.59-6

Greenglass, E., & Burke, R. (2002). Hospital restructuring and burnout. *Journal of Health and Human Services Administration*, 25 (1/2), p.89-114

Guest, D. (1998). Beyond HRM: commitment and the contract culture. In *Human Resource Management: the new agenda*, Sparrow P, Marchington M (eds). Financial Times Management: London.

Hetts, J., Boninger, D., Armor, D, Gleicher, F, & Nathanson, A. (2000). The influence of anticipated counterfactual regret on behavior. *Psychology & Marketing*, 17 (4), p.345-68

Iverson, R., & Pullman, J. (2000). Determinant of voluntary turnover and layoffs after a merger. *Journal of Management*, 26 (5), 977-1003

Kleinman, D. (1988). Witness to a merger. *Personnel Journal*, 67 (11), p.56-69

Lahey, L. (2003). Gauging the human factor. *Computing Canada*, 29 (5), p.26-28

Laschinger, H., Sabiston, J, Finegan, J, & Sharmian, J. (2001). Voices from the Trenches: Nurses experiences of hospital restructuring in Ontario. *Canadian Journal of Nursing Leadership*, 14 (1), p.2-10

LeCraw, J. (1992). Organizational Change and Employee Stress-A Recession Strategy. *Canadian Manager*, 17 (4), p.27-30

Mirvis, P., & Marks, M. (1992). The human side of merger planning: assessing and analyzing. *HR. Human Resource Planning*, 15 (3), p.69-93

Marks, M. (1988). The merger syndrome. The human side of corporate combination. *Journal of Buyouts and Acquisitions*, 1(2), p.18-23

Oren, T. & Yilmaz, L. (2004). Behavioural anticipation in agent stimulation. *Proceeding of the 2004 Winter Simulation Conference*, p.801-7

Robinson, O., & Griffiths, A. (2005). Coping with the stress of transformational change in a government department. *The Journal of Applied Behavioural Science*, 41 (2), p.204-21

Robinson, S. (1996). Trust and breach of the psychological contract. *Administrative Science Quarterly*, 41 (4), p. 574–600.

Schweiger, D., & Denisi, A. (1999). Communication with employees following a merger. *Academy of Management Journal*, 34 (1), p.110-135

Shield, R, Thorpe, R., & Nelson, A. (2002). Hospital mergers and psychological contracts. *Strategic Change*, 11, p.357-67

Smith, L. (2004). Relocation Trauma. *Canadian Nursing Home*, 15 (3), p.39-53

Trice, H., & Beyer, J. (1993). *The Cultures of work organizations.* New Jersey, USA: Prentice-Hall.

Weber, R., & Camerer, C. (2003). Cultural Conflict and Merger Failure: an experimental approach. *Management Science*, 49 (4), p.400-15

Zeelenberg, M. (1999). Anticipated regret, expected feedback and behavioural decision making. *Journal of Behavioural Decision Making*, 12, p.92-106

83