The Role of Interpersonal Justice Perceptions of employees during major organisational change due to a Merger & Acquisition.

by

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"Declaration

I, the undersigned, hereby declare that the work contained in this assignment is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

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Date:..........07/03/05..................... "

Abstract

The research explored the role of interpersonal justice perceptions in an organisation undergoing change. Interpersonal justice was operationalised by dividing it into two components namely, social sensitivity and informational justice. The study falls within the qualitative and quantitative paradigm. The research was conducted at a South African financial institution undergoing change due to a merger and acquisition, and comprised of in-depth interviews as well as an exploratory survey.

The sample consisted of 159 employees. The results confirm those of previous research studies regarding the relationship between interpersonal justice and job satisfaction. The results also showed that a difference in the interpersonal justice perceptions of employees at different job grades exists. Interpersonal justice perceptions are likely when employees believe that they personally are treated fairly and are being adequately informed of the changes in their organisation. This is of utmost importance if one is to create a just and efficient workforce during organisational change processes.

Opsomming

Die navorsing het die rol van interpersoonlike geregtigheid persepsies in'n organisasie wat verandering ondergaan ondersoek. Interpersoonlike geregtigheid was geoperasioneel deur dit te verdeel in twee komponente naamlik, sosiale sensitiwiteit en inligtings geregtigheid. Die studie val onder die kwalitatiewe en kwantitatiewe paradigma. Die navorsing was onderneem by 'n Suid-Afrikaanse finansiële instelling wat deur organisatoriese verandering gegaan het as gevolg van 'n samesmelting. Die navorsing het bestaan uit in diepte onderhoude asook 'n ondersoek opmeetinstrument.

Die steekproef het bestaan uit 159 werknemers. Die resultate van die studie ondersteun die van vorige navorsing wat betref die verhouding tussen interpersoonlike geregtigheid en werkstevredenheid. Die resultate het ook getoon dat 'n verskil in die interpersoonlike geregtigheid persepsies van werknemers op verskillende pos vlakke bestaan. Interpersoonlike geregtigheid persepsies is moontlik wanneer werknemers glo dat hulle met respek en regverdigheid behandel word. Werknemers moet ook genoegsaam ingelig word van die veranderinge in die organisasie om persepsies van interpersoonlike geregtigheid te ondervind. Dit is van uiterste belang gedurende organisatoriese veranderinge om 'n doeltreffende mannekrag waar geregtigheid geld te skep.

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CHAPTER ONE – INTRODUCTION

This research was guided by the concept of change and the effect that change has on an organisation and its employees. One can come to the conclusion that the only certainty facing an organisation is that of change. Sevier (2003, p. 23) states, "Unfortunately, our present, and certainly our future is all about change. In fact, there is a wonderful adage that describes the issue succinctly: the only constant is change".

In order for organisations to stay competitive in a fast growing worldwide economy and at the same time increase productivity, changes in the management of the organisation need to take place. Internal and external forces influence organisations to adjust their cost structures and the way that they are managed, run and organised. There is a need for all organisations to adjust to the external forces that impose change. The degree of change may vary from organisation to organisation (Harvey & Brown, 1996; Sevier, 2003).

In the current world wide economy in which organisations need to function, change is a continuous factor. Consequently, for an organisation to achieve their strategic objectives, the organisation needs to maintain their core identity and operational functioning. The way in which change is implemented and managed is a critical factor throughout the change process. Change in organisations is characterised by the literature as an interruption of the steady state and change is a regular process in the current state of affairs (Harvey & Brown, 1996).

According to Harvey & Brown (1996) the difficulty in organisational change lies in the challenge of the need for employees to adapt to a new culture that entails a change in their actions, as well as their principles, and identity in the new changed environment. Organisational change may lead to an unhappy workforce with feelings of discontent and frustration resulting in resignations and transfers. The management style of the organisation should include cultural management and orientate managers to be proactive

and appropriately skilled to be equipped for the new context in which the organisation should function (Harvey & Brown, 1996; Worthington, 2004).

In order for organisations to survive, the organisation needs to successfully adapt to the forces outside the direct influence of the organisation. For the organisation to be more effective and equipped for the new challenges imposed by outside pressures the organisation could establish internal changes i.e. procedures and processes (McLagen, 2002). According to Harvey & Brown (1996) failing to do so can lead to the organisation's downfall.

At this point it is vital to consider what is meant by the concept of change, given that change is such a diverse and complex phenomena. To illustrate, according to Iles & Sutherland (2001) management emerged as a discipline at the beginning of the twentieth century and since then practitioners and academics have investigated the management of change in organisations. The authors refer to planned change and emergent change. Planned change refers to a change driven by reasons and actions whereas emergent change refers to a change that is driven by hasty and unpremeditated ways. Two important features of managing change are pointed out. In managing change there is a need to firstly, discover, investigate and if necessary, test the ideas that bring about decision-making. This entails that managerial decisions need to be well understood and explained. Secondly, it is critical to understand that organisational change is a process that can be assisted by awareness and insightful preparation that entails skillful implementation phases. However, one needs to be aware of the fact that the properties of scepticism and dissatisfaction would be a part of organisational change (Iles & Sutherland, 2001).

Another distinction is made by Iles & Sutherland (2001) and refers to episodic and continuous change. Episodic change, according to Weick & Quin (cited in Iles & Sutherland, 2001, p. 14) is infrequent, discontinuous and intentional. Continuous change, in contrast, is ongoing, evolving and cumulative. In order for an organisation to survive in the competitive world, an organisation should not lose sight of the organisational

strategic goals. The differences between episodic and continuous change shed light on the view of an organisation's potential growth and advancement in connection with the organisation's strategic objectives (Meyerson, 2001; Iles & Sutherland, 2001).

Change can also be understood in relation to its extent and scope. Ackerman (cited in Iles & Sutherland, 2001, p.15) has distinguished between three types of change: (a) developmental, (b) transitional, and (c) transformational. Developmental change focuses on the enhancement of people or systems by upskilling employees and implementing appropriate process changes. Transitional change is change that changes the current status quo to enable the organisation to achieve an objective. Transformational change requires a change in the culture. Transformational change can result in an organisation that differs extensively in the way that the organisation is structured. According to the literature the impression is given that change is a systematic organised process that is easy to implement. Contrary to the literature, it has been found that in real life situations, organisational change causes disruption, is disorganised and could result in negative outcomes for all stakeholders of the organisation (Iles & Sutherland, 2001).

According to Saunders, Thornhill and Lewis (2002) there is a need to understand and research the reasons for employee reactions during times of organisational change. The process of organisational change directly affects the people involved and therefore implementing a change process such as a merger and acquisition (M&A) could be problematic. Employees could experience change as frightening and therefore resist the change. This could affect personal relationships and lead to severe emotional responses. When change in organisations is implemented with care, it could minimise employees negative reactions that are associated with fear and resistance (Saunders, Thornhill & Lewis, 2002).

According to Horwitz, Anderssen, Bezuidenhout, Cohen, Kirsten, Mosoeunyane, Smith, Thole &Van Heerden (2002) a merger and acquisition (M&A) could enable an organisation to accomplish strategic positioning in the industry, improve market share and shareholder value, achieve greater profits that are linked to cost savings of product

development and greater access to markets and new technologies. It appears that a M&A could be a vehicle for an organisation to adhere to the pressures brought through globalisation and technological changes.

It seems that financial and legal matters take precedence over Human Resource (HR) matters (Horwitz et al., 2002). In order for a merger to be successful it is important to identify central HR matters such as the common core competencies and intellectual capabilities of the two organisations. Long-term hidden costs for a new entity could be avoided by addressing the differences in central HR matters (Horwitz et al., 2002).

A good strategic and cultural match between two organisations planning a M&A could ensure success from the onset. The integration of the cultures is determined by the type of culture that exists in the two separate organisations before the merger. If the cultural change in the merger intends to increase employee participation and autonomy, most mergers are likely to be successful. It could be argued that employees would like a voice in change. There is a link between M&A planning, management practices, consistency of organisational culture and functioning (Horwitz et al., 2002).

Human Resource (HR) and cultural integration are usually influenced by the dominant organisation within the merger. A hostile acquisition leads to increased resistance from the employees to the change, as opposed to a voluntary M&A. A hostile M&A could result in feelings of defeat and may negatively affect the outcomes for future integration of the merged organisation since one of the organisations involved could feel overpowered (Horwitz et al., 2002).

Mirvis (cited in Horwitz et al., 2002, p. 2) notes adverse HR effects, for example, the over-confidence of new management, sense of loss by employees and the existence of power-play will affect a smooth integration. Retrenchments and staff turnover are always a consequence of a merger process and therefore the M&A process often takes longer than planned (Horwitz et al., 2002). The effect of a M&A on the employees is frequently

misjudged and is characterised by higher stress levels as well as a loss of identity and status that could impact work and family life.

Price (cited in Horwitz et al., 2002, p.2) cites that regularly persistent problems during an integration include conflict, role conflict, unclear communication, lack of a clearly defined transformation process to manage human resource matters, lack of guidance and support for employees, and the non-existence of an efficient integration strategy (Horwitz et al., 2002).

During organisational change, employees are concerned about justice. The extent to which employees perceive justice during change has a direct impact on the effective functioning of the organisation (Greenberg, 1990). Organisational behaviours during change could be explained by examining justice. Justice displayed in an organisation has a direct impact on job attitudes and the way people behave (Greenberg, 1990). If a "culture" of justice is not formulated within the workplace, it may lead workers to believe that they are not valued, that they are not taken into consideration when decisions are made, and that the organisation does not care about their well-being. They could then perceive the organisation as 'unjust' and may engage in behaviours that will attempt to restore the imbalance.

"Organisational justice theory" enables the exploration and the understanding of employee reactions to change in organisations. Organisational justice theory presents a structure that incorporates the result of organisational change with the approach used to accomplish change and the perceptions regarding treatment of the employees involved in the change. Employees affected by change want to perceive fair outcomes, procedures and treatment during organisational change (Greenberg, 1987; Saunders et al., 2002).

Organisational justice theory consists of (a) distributive justice (b) procedural justice and (c) interpersonal justice. Distributive justice refers to employees' perceptions of fair outcomes during change. Procedural justice focuses on employees' perceptions of the fairness of procedures implemented during change. Interpersonal justice involves

employees' perceptions about the fairness of interpersonal treatment that they receive during the implementation of change. Each event resulting from change could produce different ranges of responses and attitudes depending on the perceptions of those involved in the change (Saunders et al., 2002).

More consideration in research has been given to distributive and procedural justice with an adverse effect on the research of interpersonal justice perceptions. Interpersonal justice perceptions encompass the treatment of the individual with dignity and respect. The treatment of individuals with dignity and respect is of utmost importance in all interpersonal relationships and therefore could not be denied in the workplace during times of organisational change (Veeren & Katz, 2002).

Positive outcomes of organisational justice and fairness perceptions include the probability of improved organisational commitment, improved morale and job satisfaction and employees displaying organisational citizenship behaviour (OCB) (Brief, 1998; Greenberg, 1990; Skarlicki & Folger, 1997; Williams, Richard & Zainuba 2002).

Research has revealed that the way an organisation treats its employees has an affect on employee attitudes (Williams et al., 2002). Perceptions of justice and fairness held by employees can affect their job satisfaction and these attitudes are certainly evident to clients. Workplace justice perceptions held by employees can have an instrumental influence on organisational efficiency and the bottom-line of business in South African organisations.

Without a shared understanding and open channels of communication, it is possible that issues relating to perceived unfairness and injustice in the workplace will remain unresolved and will, instead, result in unfavorable behaviours and attitudes towards work and the organisation.

Organisational justice research focuses on the perceptions of fair outcomes, processes and treatment. The underlying principle for the motivation of research in organisational

justice is based on the fact that if employees perceive fair outcomes, processes and treatment this could lead to positive attitudes at work (Veeren & Katz, 2002).

The world of work is changing and in South Africa organisations are confronted with the issues of globalisation and international competition. In order to cope, South African organisations are increasingly going through downsizing and restructuring in an effort to survive the internal and external pressures. According to Veeren & Katz (2002) considering interpersonal justice perceptions as well as job satisfaction in this unstable environment is vital. A retrenchment and downsizing process could be associated with feelings conducive to injustice and unfairness resulting in an unhealthy workforce (Veeren & Katz, 2002).

When management provide information about the changes within the organisation and their dealing with employees displays dignity and respect, this may indicate to employees that the organisation cares for their well-being. According to Veeren & Katz (2002) if employees perceive interpersonal justice during organisational change, there is a likelihood that employees will be more willing and able to deal with the challenges of change posed to them. The outcome of research in the relationship between interpersonal justice perceptions and job satisfaction could assist managers in creating content and happy employees which could be beneficial to all involved in organisational change (Veeren & Katz 2002).

Despite being a current and prevalent concern in our society, Veeren & Katz (2002) further state that little investigation has been undertaken by South African researchers with regards to justice, specifically that of interpersonal justice and the significance it has with regards to employee outcomes such as job satisfaction.

A study of Schappe (1998) suggests that the more employees know about organisational procedures, the more fairly they will judge the procedures. Beneficially, this will result in outcomes of positively evaluating management, their job satisfaction as well as their commitment to the organisation.

South African organisations are experiencing an increased involvement in the global economy and therefore must attempt to meet the challenges of the marketplace. Due to this a need exists to understand the factors that directly and indirectly impact organisational effectiveness. In this respect, it is common knowledge that employees form an integral link to the achievement of organisational effectiveness.

From the discussion on justice and the role thereof in organisational change presented in the above, one could argue that perceptions of justice are a significant factor that influence social behaviour especially in a change context. Today numerous organisations are going through transition, changes are being made and implemented, and issues pertaining to justice need to be incorporated into the organisation (Katz & Miller, 1999).

1.1 The research problem

The research problem is situated in the dynamic context of a merger and acquisition process. While an extremely complex merger is being implemented, the organisations involved in the merger need to ensure that they continue to function at an optimum efficiency level. The change (merger and acquisition) process follows a structured approach, the features of which are the detailed tracking and measurement of all processes, the adherence to sound governance standards and the auditing of all activities to ensure proper implementation (Official data: participating organisation, 2003). The merger in the research entailed combining the special expertise of four entities to form a new group. Thus a new organisation (New Group) was established and resulted in a mixture of cultures, processes, policies and employees.

The key challenges for the implementation of the merger were:
- Client retention
- Achievement of revenue synergies
- Complexity of units integration

- Retention of key staff and consistency of incentives
- Achievement of consistent internal accounting procedures (Official data: participating organisation, 2003).

Horwits et al., (cited in Kode, Ford & Sutherland, 2003, p.29) also point out that the effective integration of the new entity could be delayed by ignoring the 'soft' due diligence factors of cultural and human resource matters.

A successful merger requires effective communication to and by all stakeholders, and more specifically, Simmons (1988) suggests that the careful handling of information is of vital importance during merger activity and remains important for an extensive period thereafter. It is mentioned by Simmons (1988) that providing clear and adequate information to all stakeholders during a merger is only one of many critical factors during a merger, but this factor is of utmost importance.

It could be argued that the employees in the New Group were likely to experience many of the stressors that accompany merger activity such as new performance criteria, changes in reporting relationships, and loss of control over their personal life. In addition, the employees may experience job uncertainty, uncertainty of what the future holds, loss of security and transfers. The merger had the potential to cause a drop in employee morale that in turn had the potential to impact employee job satisfaction. Clashes in the corporate culture of the four entities could occur and it could affect every major decision and communication between the groups.

To address these potential stressors a small, central merger and restructuring (M&R) office co-ordinated the merger. This team monitored synergies and procedures. To ensure that all staff were kept updated on the progress of the merger, a number of communication channels were made available to them. The internal communication process ensured that employees were regularly updated on all merger processes. Communication media included a regular newsletter, emails, an intranet site, question and answer facilities on the intranet and a call centre. A master plan was drawn up that

set milestones for the entire merger and allowed for all processes to be tracked in detail and reported on (Official data: participating organisation, 2003).

When investigating the relationship between interpersonal justice perceptions and job satisfaction during organisational change, two variables come into play. The first variable refers to the communication received by employees from management that informs employees about the change and it also refers to the degree of effectiveness of the information conveyed. The second variable focuses on management's dealings with employees that should constitute dignity and respect (Veeren & Katz, 2002).

It was further argued that the difficulties experienced by the employees of the New Group may differ at various job grades due to the communication network system used during the integration phase of the merger process. It was also likely that the senior employees at higher job grades may experience a feeling of less uncertainty, due to more adequate information received regarding the change and the negative impact on their job satisfaction may therefore have been less.

Retaining the talent pool of employees during a merger is a predicament that faces organisations undergoing merger activity (Bruckman, 2000). The greater turnover of the talented pool of employees in an organisation could be the consequence of ambiguity relating to jobs, status and authority in a newly formed organisation.

Interpersonal justice perceptions are therefore likely to influence employees' experiences of the workplace and the extent to which they are receptive to, and able to cope with, changes within the organisation.

The research problem thus focused on the effect of organisational restructuring/change (i.e. Merger & Acquisition process) on employee post-merger work behaviour and whether post-merger work behaviour differs between job grades.

More specifically the purpose of this study was to test the differences in informational justice, social sensitivity and job satisfaction at different job grades. Further to this the relationship between perceptions of interpersonal justice (in the form of social sensitivity and informational justice) and job satisfaction was explored.

The main objectives of this research were:

- To explore data from employees in a large financial institution following restructuring/change due to a merger.
- To investigate the effect of organisational restructuring on employees' post-merger behaviour. Further to this, the study explored differences in the impact of the merger at different job grades; assuming that the amount of communication received regarding the changes may have been different in terms of the different job grades.
- To examine the possibility of a relationship between interpersonal justice perceptions and job satisfaction in an organisation undergoing change.
- To add to the growing body of literature on fairness in change contexts.
- To supplement the existing organisational justice literature by focusing on the interpersonal aspect of justice perceptions, the role of communication in organisations undergoing change and the possibility that fair interpersonal justice perceptions may be related to positive employee behaviour such as job satisfaction.

As discussed, change is taking place more often than before and it is evident that new ways of managing change need to be discovered. A merger and acquisition represents a major organisational change process for many employees as they are faced with a range of unknown and new challenges that effect those involved in all spheres of their lives (Broadbent, 2002). The manner in which individuals perceive, define and experience these changes will vary according to a number of factors including the effect of the strategies chosen to cope with such changes.

This chapter outlined the context of the research, the research problem and the main objectives of the study. Chapter 2 provides a review of the relevant literature that highlights work which has influenced this research and which justifies the need for extending current research. Chapter 3 details the methods employed in the research. This chapter consists of two sections in which both the qualitative method as well as the quantitative method utilised in the research are explained. The results are presented in Chapter 4. The first section of Chapter 4 deals with the qualitative data and the second section deals with the quantitative data. Chapter 5 contains a detailed discussion of the results that are linked to other previous relevant research findings. Chapter 6 concludes the research and takes into account the possible limitations and some future recommendations for research in the field of interpersonal justice in organisations undergoing change.

CHAPTER TWO – LITERATURE REVIEW

This chapter will explore the literature that highlights theory and research related to the research problem and objectives stated in Chapter 1. The first section deals with organisational change focusing on a merger and acquisition (M&A) process. Three frameworks illustrating the elements that exist in the M&A process will be discussed as well as the implications it has on human resources.

The second section reviews literature involving Organisational Justice. It includes distributive, procedural and interpersonal justice. The main focus will be on interpersonal justice perceptions. This section focuses on organisational justice applied to organisational change. The third section discusses job satisfaction. It is noted that interpersonal justice perceptions have an impact on many work-related variables, including job satisfaction. The final section discusses the role of communication as a key process that can influence how effectively an organisation adjusts to change. From the literature it is evident that communication has an important impact on the success of a change programme.

2.1 Introduction

Change is always present in organisations therefore organisations are never fixed. Change has an effect on technology, managers, products, services, and policies and administrative procedures. These organisational activities are all interlinked and a change in one aspect of organisational life could influence the whole organisation. Change in organisations could result due to external, internal and spontaneous forces. When changes are taking place it is important to be aware that all stakeholders involved could experience the change differently. This however, could have ramifications for the organisastion as an entity and thus add to change not being an easy task (Dawson, 1996).

Today, change in organisational life is a common feature. Typically, organisations are faced with restructuring, reorganisation, reorientation, re-engineering, implementing new technologies, new distribution methods, mergers and acquisitions, and changing their school of thought (Pendlebury, Grouard & Meston, 1998). External forces such as globalisation, and economic and strategic barriers have hampered organic growth. This has resulted in organisations turning to mergers and acquisitions to create other streams of economic growth (Galpin & Herndon, 2000).

The next section focuses on Mergers and Acquisitions as an example of organisational change. Three frameworks illustrating the elements that exist in the M&A process will be examined.

2.2 Organisational transitions: Mergers and Acquisitions

In most literature the terms "merger" and "acquisition" are used interchangeably and are employed to indicate a situation in which two organisations are brought together in different degrees to form one organisation (Olie, 1996). A merger entails the two organisations approaching each other to form one new organisation - the acquirer and the acquired. Each organisation has their own stakeholders ranging from shareholders, managers and employees, to clients and the community at large. Mergers and acquisitions are undertaken by organisations in an attempt to achieve their strategic and financial objectives. Often two organisations that undergo a merger have different corporate personalities, cultures and value systems. Success of mergers may, therefore, rely on the smooth integration of the different entities (Sudarsanam, 1995).

The task of integrating two organsiations is complicated even when the organisations planning to merge seek organisations with the same strategic goals and similar corporate cultures (Galpin & Herndon, 2000).

The discipline known as change management is considerably related to the merger and acquisition (M&A) process. Change management focuses on assisting organisations with

the dealing of economic, technological and market influences (Galpin & Herndon, 2000). An appropriate M&A is among the crucial developmental responses to market-based change. There are initiatives and responses that could change the configurations or the environment of an organisation more noticeably and radically than a merger does; such changes come far more rapidly and are more major than those to which most organisations are familiar with. Therefore, the concepts and tools of change management should be used in the M&A agreement. An integration process presents a change management challenge of note (Galpin & Herndon, 2000).

According to Galpin & Herndon (2000) a merger and acquisition brings about the following change management dynamics:

- Aggressive financial targets
- Short timelines
- Intense public scrutiny
- Culture clashes
- Politics and positioning
- Communication-related issues
- Growth related challenges
- Restructuring
- Reengineering
- Questions about where to downsize
- Problems with retention of personnel
- Issues related to employees' motivation

2.2.1 Concepts of change management

A merger generates vast change management issues. It is vital that an integration process includes activities assisting the smooth implementation of the integration process. Galpin & Herndon (2000) proposed a seven-point change management concept.

i.   Addressing the "me" issue quickly

ii.   Applying defined, clear leadership

iii.   Providing extensive communication

iv.   Ensuring focus on clients

v.   Making tough decisions

vi.   Creating focused initiatives

vii.   Managing resistance at entry level

The above change management concept has proved to be effective in the facilitation of successful organisational change initiatives, and it could also be applied to a merger integration (Galpin & Herndon, 2000).

The next section introduces frameworks illustrating the elements that exist in a M&A process.

2.2.2 Elements of the M&A process

At the core of the combination of a M&A is the integration phase, designed to translate the opportunities of the participating organisations into actual gains for the merged entities. There is no one-size-fits-all methodology to building productive capacity in a merged combination. This section discusses two theoretical frameworks: (a) Galpin & Herndon (2000) whom introduced elements of the M&A process that focus on "work streams" that are according to them vital for the success of any merger integration, and (b) Harvey & Newgarden (1969) whom focused on plans covering the phases of integration. The phases of the merger of the participating organisation are also detailed.

Although every merger combination is unique, lessons from past combinations alert and prepare executives, managers, and employees to approach their current merger and acquisition more productively.

Galpin & Herndon (2000)

Galpin and Herndon identified nine different but strongly interdependent and continuing sets of responsibilities, or "work streams" (represented in Table 1). Merger integration should be customised to each organisation and adapted to each specific agreement. This is the actual process of planning and implementing the "new" organisation with its processes, its employees, its technology, and its systems. The merging organisations must carefully consider the timeline of integration, the chaos that will be caused, ways to lessen the chaos, ways to assist employees to stay client-centred, keeping day-to-day operations running, and how best to communicate with all stakeholders (i.e. shareholders, employees, clients, and the broader public) (Galpin & Herndon, 2000).

By packaging and co-ordinating the appropriate components of these work streams for integration, an organisation can prepare itself to deal with all the tasks involved in the integration in an effective way. The success of this model is based on the synchronised and concurrent role-out of work streams as part of the integration plan, as opposed to a series of actions that are independent of one another (Galpin & Herndon, 2000).

Each work stream begins with strategic planning. As a general rule, the strategic planning for each work stream should reach consensus as soon as possible. Strategic plans could assist in the forming of a thorough project approach used in each work stream. Each work stream generally continues through to the end of full integration (Galpin & Herndon, 2000). Table 1 identifies the core work streams for successful integration.

Table 1 Key work-stream components

Work stream	Key components	Impact
1) Executive leadership roles and responsibilities	Initial strategic planning; identify top-level leadership; change leadership; business and technical expertise	Ensures integration issues are considered during initial deal making. Ensures integration becomes part of overall transaction process.
2) Integration planning and implementation	Task force infrastructure; charters; sub team work process, transition and synergy-capture plans	Establishes and coordinates consistent process for all functions/ business units to follow. Ensures thorough planning and fast implementation.
3) Communication	Overall communication strategy; ongoing processes and feedback channels; special meetings and events	Manages rumours. Ensures fast two-way flow of facts and perceptions. Engages the entire organisation in the integration. Helps the organisation embrace the change.
4) Structure and staffing	Create, approve, and support the processes for determining the organisation structure and staffing decisions	Ensure the organisations are set quickly. Ensures the best player wins the job. Minimised cronyism and favouritism.
5) Recruiting	A specific policy, process, tool to identify key talent and gain their commitment to the newco organisation	Retains key talent, increases short-term commitment. Refocuses attention on long-term opportunities.
6) Cultural integration	Structured approach to identify and clarify key management processes that establish how we	Deals proactively with major failure factors. Analytical approach to specific issues for

	will do things in the newco organisation	changing alignment. Early warning process.
7) Human capital related integration	Targeted alignment/rationalisation of all people processes to more directly support the newco organisation's business objectives	Eliminates proliferation of practices that no longer support business needs. Quickly and powerfully reinforces desired newco culture. Drives employee behaviour toward key objectives.
8) Measurement and feedback	Merger integration scorecard, synergy planning and tracking; integration feedback	Tracks and reports key operational, financial, customer, and organisational issues most subject to merger related disruption risk.
9) Project management	Consolidated project plan; contract rosters; information-distribution protocols; key action items for core team and executive attention	Links all efforts to specific milestones and accountabilities. Ensures continued focus on timely completion of tasks.

(Galpin & Herndon, 2000)

Harvey & Newgarden (1969)

According to Harvey & Newgarden (1969) the periods immediately preceding and following any combination are always characterised by an abnormal amount of confusion. There will be changes in tasks and new incumbents will be performing the new tasks. The confusion resulting from the above may significantly affect the efficiency of the new organisation. To prevent a decrease in profitability while this confusion lasts, plans covering all phases of the integration should be prepared. Such plans should be specific regarding items to be covered as well as the employees and divisions in charge. Plans should include an integrated time schedule for accomplishing the objectives. Situations during organisational change can vary and the plans must be carefully designed to fit each individual situation (Harvey & Newgarden, 1969). Table 2 presents a

general idea of the areas the plan must cover and, within those areas, some objectives common to most mergers.

Table 2 Plans covering phases of integration

General considerations:

Objectives for making the acquisitions, especially the anticipated time frame for return on investment

Similarities of buyer and target

Identification or reaffirmation of core competencies of target

Resources available to devote to the acquisition

Financial resources

Human resources

Outside consultants

Appointment of team to manage the post merger integration period

Communications:

Immediate action

Commitment to open communication

Preparation of short- and long term communication plan

Overall organisational structure:

General considerations

Post implementation review to determine the strengths and weakness of the new structure and make changes, as necessary

Post merger implementation of functional areas:

Management of information systems

Finance

Sales

Marketing

Manufacturing

Human resources

People:

Identification of the types of resources needed for the immediate post merger period and for the long term: skills and competencies

Analysis of human resources available in acquired firm: strengths and weakness versus needs

Identification of personnel to be delimited

Identification of key personnel to be retained

Harmonisation of performance appraisal, compensation, and benefits programs

Training and development

Organisational culture: (Mission, values, and common language)

Evaluation of common values and identification of areas of potential conflict

Development of common strategic vision

Development of common value statement

Communication of mission and values to all employees

Walking the walk. Management of the post-merger period according to key values.

(Harvey & Newgarden, 1969)

The following section is an overview of the framework for the organisation in which the research was conducted.

M&A Elements of the participating organisation

The aspirations for conducting the merger process in the participating organisation were as follows:

Aspirations

- Enhance earnings and growth prospects
- Increase scale
- Broaden management and geographical strength
- Leverage systems and infrastructure
- Increase off-shore exposure
- Broaden bands
- Optimise capital structure

The functional and business units of the organisation implemented the merger process. These units were responsible for the execution and implementation of the plans. They interacted with the Merger and Restructuring (M&R) office via a monthly signed off status report that officially recorded progress and raised issues. In addition, a M&R office representative joined the major business and functional units (BU/FU) areas to monitor progress and assisted in resolving cross-BU/FU issues. The M&R office co-ordinated across the business and functional units to ensure an orderly and optimal implementation process and intervened to resolve issues, where necessary (Official data: participating organisation, 2003).

The M&R office reported monthly to the group executive committee (Group Exco), which provided the overall integration guidelines and made key decisions. Group Exco was also responsible for reviewing the merger and resolving issues of conflict, in particular areas where choices had to be made or resource allocation needed to be prioritised (Official data: participating organisation, 2003).

All plans of the merger process had been drawn up to ensure minimum disruption within the core business. While dedicated and qualified staff were involved to ensure that the merger process was properly implemented, most staff continued to focus on the business. The merger ran with extremely tight synergy tracking processes, which were disciplined, rigorous, hierarchical (in that business and functional units needed to comply), formal and auditable (Official data: participating organisation, 2003).

A Migration Steering Committee (MSC) was formed with representatives from each business and functional unit. The MSC had to set priorities for system changes, ensure co-ordination of processes that impact across divisions, as well as ensure that functional areas such as Human Resources and Risk & Finance had plans that aligned with those of the business units.

The M&R office co-ordinated and monitored the process and ensured that the merger disciplines were monitored at all times. In addition the M&R office assisted the business

unit and functional unit project management offices with the implementation of their merger processes.

The services of international consultants who have been involved in similar mergers were used throughout the process and this allowed the New Group to benchmark against best practice (Official data: participating organisation, 2003).

The participating organisation divided the merger and acquisition process into four distinct phases.

Table 3 The phases of the merger in the participating organisation.

I. The start-up phase:

I. Covers the period from the announcement of the deal to the closure of the deal.

II. Characterised by intense pressure on senior management, uncertainty and a loss of direction and focus for employees.

III. Transparency, short-term operational plans and communication are critical for managing this phase.

II. The transitional phase

I. Typically the first three to six months following the actual transition.

II. Any inappropriate behaviour by management can have a disastrous effect on employee morale.

III. Well-formulated personnel structure, processes and fairness are important during this stage and should be achieved quickly.

III. The integration phase

I. Focus is to work through the differences and the conscious creation of a widely accepted new organisational culture. Requires extreme sensitivity to values and culture.

II. Pressure to cope transfers to middle management since they are responsible for implementing change.

III. Managers require a platform of leadership and conflict management skills.

IV. The closure phase

I. Important for reaching a state of closure.

II. Employees feel a strong sense of relief when they are able to recognise that everyone has embraced the new culture and values.

(Official data: participating organisation, 2003)

To structure and control the overall process and to monitor its implementation, each project of the merger process was divided into and reported on in five stages:

- Target setting
- Detailed planning
- Prerequisite preparation
- Implementation
- Realisation review

The target setting phase started with aspirational targets being set, using international benchmarks, by consultants and the M&R office. These benchmarks were analysed and initiatives identified to optimise the synergies and ongoing operation of each business and functional unit. The units agreed to initial targets and indicated broad areas where synergies could be achieved.

Detailed planning involved setting out steps for implementation and defining prerequisites that had to be in place for the projects to be implemented. These plans, together with key performance indicators, were audited.

The next phase involved putting in place the prerequisites for implementation such as the development of data migration systems and protocols.

The implementation phase required that all project steps be carried out to complete the project implementation and realise the synergies. This included processes such as the closure of branches, rebranding branches where applicable, and the transfer of relevant clients to selected systems.

Finally all projects were subject to review by the M&R office and an internal audit to confirm that synergies had been achieved and that they were sustainable.

Table 4 presents the tasks covered by the participating organisation during the four different phases of the integration process.

Table 4 Tasks

1.	Announcement of the merger
2.	Appointment of project team
3.	Finalise HR merger change plan
4.	Announce company structure
5.	Appoint key personnel
6.	Finalise divisional structures
7.	Appoint people
8.	Retrench surplus staff
9.	Integrate policies
10.	Create capacity for change
11.	Create communication plan
12.	Implement new business model
13.	Align divisional strategy with corporate strategy
14.	Create vision, mission and shared values
15.	Create a culture of performance and entrepreneurship
16.	Implement a performance management and measurement system to support the ideal culture
17.	Implement a remuneration system that supports the ideal culture

(Official data: participating organisation, 2003)

Table 5 presents the Human Resource processes that were put in place to support the strategic aims of the merger process in the participating organisation.

Table 5 HR processes

1) HR data	There will be a continual demand for HR data
2) Staff communication/internal marketing strategy	Must provide strategic clarity and clear sense of direction
3) Trade unions	Create environment of mutual trust
4) Change management	The change management process will need to deal with coping skills and employee well-being
5) Staffing/job security	Staffing requirements and selecting areas for rationalisation
6) Structures	Focus on stability factors and change components
7) Key employee retention	Identify key jobs and key staff
8) Affirmative action/staff mix	Must be a consideration within staffing and any retrenchment decisions
9) Culture	HR must intervene in the culture shapers
10) Conditions of Employment	Both at time of merger and post-merger
11) Labour legislation compliance	Employment Equity Act Skills Development Act Labour Relations Act (LRA)
12) HR operations	Basic Conditions of Employment Act (BCEA)

(Official data: participating organisation, 2003)

In order for all the stakeholders of the participating company to be informed on what was happening with the integration, a communication team was brought together. As information was made available from the various steering committees and business units, it was shared with employees and other relevant outside parties. The integration communication was intended to be timeous, transparent, accurate and honest to ensure that all employees would be kept abreast of the integration programme (Official data: participating organisation, 2003).

It is evident from the above that each M&A framework was intended to be tailored to the specific situation in which it was going to take place.

However, it is clear that the following important elements occur in the two theoretical proposed frameworks as well as in the framework of the participating company.

- Communication
- Change Management concepts
- Strategy and structure
- People Issues: staffing, recruitment and retrenchment
- Culture integration

The greatest difficulty in most merger agreements has, without fail, been found to be people and cultural issues (Galpin & Herndon, 2000). The next section focuses on the people issues.

2.2.3 Human capital integration and the role of human resources

Human resources have priorities that relate to M&A agreements represented by the following two phases: (a) the initial transition responsibilities include organisational structure, selection/deselection and recruitment, and remuneration and retention, and (b) the responsibilities for full integration include rationalisation and alignment of all the acquired organisation's organisational and HR processes in order to support the business objectives of the new entity (Galpin & Herndon, 2000).

Organisations planning a successful merger can ensure increased efficiency if a warm culture is created. A warm culture could contribute to employee dedication and outstanding client relationships. It is therefore necessary for all stakeholders to value the area of "people" management that enhances the union of the merging practices. Management by example refers to where managers motivate and inspire the employees to be committed to the new entity. This indicates a sensitive consideration for the employees

during times of change. Although not easy for managers to fulfil, it is necessary (Simmons, 1988; Harvey & Newgarden, 1969).

Managing people whilst undergoing a merger is often ignored due to other seemingly more important issues. The managing of employees has a tendency to be neglected with the belief that the problem will sort itself out (Simmons, 1988). In reality the employee and staff problems do not disappear and therefore need attention. Unresolved problems could lead to discontent employees and result in malicious behaviour affecting all stakeholders as well as the implementation process (Simmons, 1988).

To ensure success of a merger, those in charge of the change management process should know the needs of all stakeholders involved. Without being aware of the human side of the merger, the potential for motivation through change could receive resistance, resentment, and rejection from all stakeholders and even have the potential for the merger to be unsuccessful (Simmons, 1988).

When a M&A decision has been finalised a vital phase commences. The focus should be on how to integrate the separate organisations with ease. This is almost entirely a matter of "people integration", where communication is of importance. It has been noted that if employees receive adequate information about the merger plan, and if they are motivated to share their knowledge and experience, integration will be achieved effectively (Harvey & Newgarden, 1969).

Current studies have recognised that employees involved in a M&A have been negatively influenced by a change process such as a merger. Over and above the impact on human resources, mergers result in numerous standard corporate and societal impacts. The merger impact model (Table 6) illustrates the most common types of impacts. As the model shows, merger activity leads to merger stressors, which may result in a variety of impacts. On the individual level, these are manifested as physiological and psychological warning signs. On the corporate and societal level, the effects are much more widespread.

A clear understanding of the model will assist management to forecast several of the most critical difficulties entailed in a M&A change process (Bruckman, 2000).

Table 6 Merger Impact Model

MERGER STRESSORS

- Uncertainty
- Loss of identity
- Job loss or demotion
- Job transfers
- Compensation/benefit changes
- Power, status and prestige change
- Leadership strife
- New rules and regulations
- New evaluation criteria
- Change in reporting relationships
- New employees and co-workers

COMMON IMPACTS

PHYSIOLOGICAL	PSYCHOLOGICAL	CORPORATE&SOCIETAL
Insomnia	Depression	Derails primary corporate focus
High blood pressure	Anxiety	Decreased productivity
Trembling	Preoccupation	Lowered morale
Muscle pain	Fear of the unknown	Increased disloyalty
Headache	Loss of self-confidence	Increased turnover
Increased accident rate	Lifestyle instability	Higher absenteeism
Increased sick leave	Marital/family strife	Increased theft
Increased alcohol/drug use	Irritability	Sabotage
Gastrointestinal difficulties	Inability to make decisions	Increased wrongful termination and lawsuits

(Bruckman, 2000)

When employees refuse and deny the existence of change in an organisation, it could result in complications during the process. A wide range of literature on the execution of organisational change exists with emphasis on minimising the resistance to change of employees. According to Daly & Geyer (1994) two themes in the literature for increasing employees' commitment to change are that of (a) participation (empowering employees to contribute to the change process), and (b) education (clarify to employees the reason for and the effect of change). A requirement to understand why the above two themes could possibly add to commitment to change were identified (Daly & Geyer, 1994).

Three explanations have been put forward to assist in understanding the two themes (a) the cognitive interpretation, (b) the affective interpretation, and (c) the fairness interpretation (Daly & Geyer, 1994).

In light of the cognitive interpretation, the empowering of employees to contribute to the change process taps on the employees' intellectual capital whereas the affective interpretation taps on the emotional state of the employees (Daly & Geyer, 1994). The fairness interpretation relates to the employees judging the employers actions with reference to what the employees perceive as their right during change. Organisational justice is an emerging sub-discipline that enables us to recognise certain characteristics of change processes that may relate to rights-based expectations. Employees involved in organisational change have a tendency to understand the change process from a fairness perspective (Daly & Geyer, 1994).

Justice as a key motivator for employees' behaviour is pointed out by an immense body of literature (Folger & Cropanzano, 1998). When employees do not hold perceptions of fairness at work it may result in employees who have a greater potential for resigning, employees may experience low levels of well-being and the possibility exists that they may engage in harmful behaviours towards the organisation. On the other hand, when employees do hold perceptions of fairness at work it could result in greater employee commitment, employees not aiming to resign and co-operative employee behaviours that exhibit the willingness to fulfil a role greater than subscribed by a mere job description.

The essence is that justice in an organisation may unite employees and the absence thereof may lead to separation in the workforce (Folger & Cropanzano, 1998).

In organisations, justice refers to the distribution of outcomes, the procedures in place that underpin the distribution of outcomes and the way that employees interrelate. When employees do not perceive that outcomes have been distributed fairly, procedures are unfair and they are not treated as they feel they should have been treated, then justice in the organisation becomes disputable. When employees work together they are inclined to perceive their interactions with one another as fair or not (Folger & Cropanzano, 1998).

2.3 Organisational Justice

Currently organisational justice as a subject matter has virtually been under the attention of professionals studying the domain of industrial-organisational psychology, human resource management, and organisational behaviour. Organisational justice refers to employees' perceptions of fairness at the workplace (Cropanzano & Greenberg, 1997; Chan, 2000). Typically, in gaining knowledge on organisational justice, attention has been paid to outcomes - referring to employees reactions to things they have been given and the procedures i.e. the way in which they acquire these outcomes (Cropanzano & Greenberg, 1997).

Organisational justice can offer the capacity to gain an accurate and deep intuitive understanding of different facets of behaviour in organisations (Cropanzano & Greenberg, 1997).

The significance of the principles of justice as a prerequisite for the effective functioning of organisations and the contentment of the employees has been acknowledged by social scientists for many years (Greenberg, 1996). Considering the well-known acknowledgment of the importance of fairness as a concern in organisations, it is realistic

that theories of social and interpersonal justice have been applied to understand behaviour in organisations. A literature developed attempting to describe and explain the role of fairness as important in the workplace (Greenberg, 1996).

Three topics in which researchers have applied justice-based explanations to organisational incidents are managerial dispute resolution, survivors' reactions to layoffs, and gender variations in the equity-pay satisfaction relationship (Greenberg, 1996). Researchers who advocate and promote the worth of organisational justice are certain that if employees think they are treated in a fair manner this will result in a greater likelihood of positive attitudes towards work, work outcomes and superiors (Moorman, 1991).

The main area under discussion for several years in the studies of fairness in organisations focused mainly on distributive justice. The distributive stance focuses primarily on outcomes. This implies the way in which outcomes are divided and the way in which employees respond to the distribution of outcomes (Brockner & Greenberg, 1990; Tyler & Bies, 1990; Posthuma, Dworkin & Swift, 2000; Chan, 2000; Rahim, 2000).

The procedural justice orientation came to the forefront when researchers gained an interest in the process that underpins the decisions made to allocate outcomes. This stems from Thibaut and Walker's (cited in Tyler & Bies, 1990, p. 78) pioneering studies of reactions to the procedures used to reach decisions in dispute resolution contexts (Brockner & Greenberg, 1990; Tyler & Bies, 1990; Posthuma et al., 2000; Chan, 2000; Rahim, 2000). In identifying two aspects of fairness that concentrate on the outcomes and procedures in organisations, another aspect of fairness has not been identified and this refers to the social aspect of fairness perceptions (Greenberg, 1996).

2.3.1 The social side of justice in organisations

According to Greenberg (1996) some researchers in the late 1980s investigated what symbolises unfair treatment, and people responses brought to the fore that the role of interpersonal aspects weighed more than the structural aspects. The role of interpersonal aspects in both procedural and distributive justice could not be neglected, since interpersonal aspects could constitute influential variables in approaches to fairness and therefore need to be considered together with the traditional structural approach of fairness (Greenberg, 1996).

Interpersonal aspects of both procedural and distributive justice are important due to the fact that they are directly linked to the managers' spheres of influence. To illustrate, managers could have the ability to minimise resistance and negative feelings of employees towards policies being implemented in the organisation. This can be achieved by the way that managers interact with employees and share information regarding the decisions and procedures implemented. Accordingly, the usefulness of the social aspects of justice needs to be considered. When attention is given to interpersonal treatment during interactions in organisations, and on how decisions are made, this would act as a social compliment to the structural aspects of justice traditionally studied (Greenberg, 1994).

By recognising the role of the social aspects of justice a third dimension, interpersonal justice perceptions, developed as a field of interest for researchers. Interpersonal justice focuses on employees perceptions about the manner in which they are treated and the information about the events taking place in the organistion (Cropanzano & Greenberg, 1997; Brockner & Greenberg, 1990; Folger & Cropanzano, 1998; Posthuma et al., 2000; Rahim, 2000). In a study of Greenberg, Greenberg (cited in Brockner & Greenberg, 1990, p.51) noted that workers' reactions to procedures actually depended on the manner information is offered to them. The information given focused on *why* certain decisions were made, *why* certain proposals were accepted or rejected and *why* certain performance

ratings were given. According to Brockner & Greenberg (1990), Greenberg's research has shown that giving explanations of administrative actions to a great extent reduces employees' responses to the negative impact of those events therefore enhancing the view that managers' actions were fair (Brockner & Greenberg, 1990).

People's judgements of fairness are subject to the way in which they are treated by management and the degree to which they experience that the formal decision making procedures are endorsed and adhered to. This covers the interpersonal justice perspective (Leung, Chiu & Au, 1993).

Cropanzano and Greenberg (cited in Veeren & Katz, 2002, p. 7) have conceptualised interpersonal justice by dividing it into two components, namely (a) social sensitivity, and (b) informational justification. Social sensitivity refers to the extent to which employees believe that they have been treated with dignity and respect. Fair treatment encompasses being polite and respectful. The recipients of insensitive treatment are inclined towards poor attitudes, conflict, and low performance (Folger & Cropanzano, 1998). Informational justification refers to the extent to which employees believe they have received adequate information about the procedures affecting them. Informational justification consists of explanations or social accounts. Explanations inform the employees regarding the reasons for unfavourable incidents or outcomes due to the change. Employees are thus provided with a rationale regarding the events. It is argued that employees are more understanding of an unfavourable outcome when an adequate justification is provided (Folger & Cropanzano, 1998). To illustrate the role of interpersonal justice in measuring employee fairness perceptions, a study was conducted by Greenberg (1994).

It was clear that interpersonal justice perceptions were relevant in assessing employees' fairness. Greenberg (1994) considered employees' fairness perceptions regarding the implementation of a workplace-smoking ban. The findings of the study recommended that the acceptance of a workplace smoking ban is made easier by using socially fair treatment and by providing adequate information about the ban necessity and announcing

it in a manner that shows awareness of difficulties to which the change could lead (Greenberg, 1994).

From the study it was evident that when the facts and particulars regarding the change were communicated to the employees, and the way in which the employees were treated, independently assisted the workers to accept the ban (change) and it was also evident that collectively the two components of interpersonal justice obtain greater fairness perceptions (Greenberg, 1994). The findings suggest that the social aspects of justice known as interpersonal justice adds to the structural aspects of procedural and distributive justice that have been studied in the past (Greenberg, 1994).

2.3.1.1 Conceptual confusion regarding the status of the interpersonal aspects of justice

In one of the first theoretical statements regarding the social aspects of justice, Bies and Moag (cited in Tyler & Bies,1990, p.80) recognised the term interactional justice to refer to people's sensitivity to the quality of interpersonal treatment they receive during the acting out of organisational procedures. It was argued that interactional justice should be understood as separated from procedural justice on the foundation that it considers the acting out of procedures rather than the development of procedures themselves. Although researchers were of the opinion that these interactional aspects were important they disagreed that the enactment of procedures was not really a part of the procedural justice phenomena (Tyler & Bies, 1990).

Researchers debated that the including of interpersonal aspects under the term of procedural justice may facilitate the understanding of interactional justice. They suggested that the concept of procedural justice should be expanded to accommodate interpersonal aspects in procedures. The notion came to the fore that it was equally acceptable that interactional justice could function as a separate dimension of justice or may be included under procedural justice (Tyler & Bies, 1990).

The above implies that justice of interpersonal treatment goes beyond the simple acting out of procedures; it also concerns the process used in decision-making. Likewise, it was Bies and Moag's earlier argument that interpersonal justice can be viewed as a link between procedures and outcome distributions. It is clear that interpersonal aspects of justice are also an element of the distributive side of justice.

2.3.2 Implications of interpersonal justice perceptions in organisational settings

It is evident that employees in the workplace are concerned about justice and fairness (Tyler & Bies, 1990). Answers to questions concerning work related issues would probably be in favour of justice and fairness. Employees are concerned whether they are treated fairly in terms of performance management, incentives and promotions. It is a fact that employees' actions at work are influenced by experiencing fairness in managerial decisions and organisational procedures (Tyler & Bies, 1990).

When employees experience unfair interpersonal treatment they may display disruptive behaviour aiming to damage the organisation, causing the organisation to experience losses in profits and man-hours. Research has shown that harmful behaviour to the organisation may include sabotage or theft (Veeren & Katz, 2002).

According to Greenberg (cited in Veeren & Katz, 2002, p.10) the above means that high levels of interpersonal injustice may result in undesirable behavioural and or attitudinal employee outcomes. Cropanzano and Randall argued (cited in Veeren & Katz, 2002, p.10) that distributive and procedural justice alone is not adequate for people to believe that they were fairly treated. Therefore when employees evaluate fairness they might focus on interpersonal justice.

When the organisation is transparent in their conduct with regard to interpersonal justice, it will be to the employees' advantage. Positive attitudes held by employees towards the organisation are influenced by the fact that employees feel that they are valued and cared for by their employer. To conclude, transparent conduct by the organisation may prevent

employees from engaging in and responding with undesirable acts such as theft or sabotage (Veeren & Katz, 2002).

Another area in which the effects of social justice variables have been examined is reactions to layoffs among both victims and survivors. With regard to employee reactions during change interventions, the effect of the presence of high levels of social justice variables has been consistent throughout a series of studies and experimental investigations (Greenberg, 1996).

Interactional justice has also been used in referring to characteristics of social manner that have a direct link to people's dignity. Deliberately being insensitive towards other people with no regard for their feelings implies that one individual does not grant another individual the worth of equality and respect (Folger & Cropanzano, 1998). Fairness mainly relates to the fact that when an individual is concerned about the well-being of others it will govern their actions. When an individual in their social conduct acts with disregard for others feelings it indicates that the individual acts out of self-interest and therefore is not concerned about the well-being of others. An individual displaying actions that are more harmful to others than harmless, does not employ justice. The matters related to perceived unfairness that do not fall under the description of distributive and procedural justice are thus covered by the component of interactional justice (Folger & Cropanzano, 1998).

The next section describes experimental manipulations of perceived fairness in terms of explanation content, thereby illustrating the concepts of excuses and justifications.

2.3.2.1 Excuses and Justifications

The examples of excuses and justifications, as experimentally operationalised, come from studies showing statistical interactions between process and outcome factors. Bies (cited in Folger & Cropanzano, 1998, p. 39) subsequently pointed out that these studies assisted to illustrate how different types of communicated explanations, that are corrective in

nature towards the perceived harm-doers or the perceived well-doers, can elicit feelings of control or blame. The person conveying the message is seen as an agent. The message is labeled the account. The person receiving and interpreting the message as harmful is seen as the victim. Feeling like a victim results in feelings of unfairness. This distinction is implied in the concept of harm doing itself; the account can focus on the *harm* (explaining the wrong doing) or *doing of it* (explaining the consequences of retribution, with the focus on concepts such as responsibility, accountability, and liability). Originally introduced by Austin (1961) (cited in Folger & Cropanzano, 1998, p.39) these two categories have been called justifications and excuses, respectively. Justifications and excuses could be associated with interactional justice. Interactional justice implies that an explanation for a decision made should be communicated and how these communications are perceived by those affected is important.

The events occurring after decisions have been made influence fairness perceptions. Such events refer to the communications about the decisions, for example, by giving an explanation regarding the reasons for a decision (Folger & Cropanzano, 1998).

Tyler and Bies (cited in Folger & Cropanzano, 1998, p. 45) called "providing an account of (explanation for) the decision" as a characteristic of ensuring that the formal decision-making procedure has been correctly implemented. What constitutes correct, can depend on applicable standards of correctness; some decisions might seem so basic that no explanation is needed, and some agents might not be expected to give explanations because no-one questions their authority and judgement. Often employees affected by a basic decision feel they are entitled to hear why the decision was taken. Theory and research by Bies and his colleagues have broadened the study of accounts, as has Greenberg's related work on impression management. For example, Bies offered a wide variety of types of accounts. Research has also documented that fairness judgments can be separately impacted by voice and explanations (Folger & Cropanzano, 1998).

Style and quality characteristics of an explanation have the potential to be as important as the content of the explanation. The difference between excuses and justifications refers to

the explanation content; the difference lies in the focus of the content (i.e. on responsibility for the harm vs. focusing on the harm). Whether the content of the explanation intends to excuse or to justify, such messages can vary in the quality of the reasoning that is used. An explanation given should contain reasoning that sufficiently supports the actions taken and should be expressed with integrity by the messenger (Folger & Cropanzano, 1998; Chan, 2000; Rahim, 2000).

The work on procedural justice has implied that being fairly treated goes further than receiving fair outcomes. Consecutively, the work on interactional justice has implied that the formal characteristics of procedures go further than being fairly treated. The commencement of the interactional justice concept; however, stems from previous work on procedural justice. In particular, Leventhal (cited in Folger & Cropanzano, 1998, p.47) broadened procedural justice further than process control by mentioning the following six criteria: (a) consistency (the application of the same principles to all throughout the process), (b) bias suppression (action in an unbiased manner, treating all the same), (c) accuracy (quality of information and views), (d) correctability (permitting feedback to improve suggestions), (e) representativeness (considering interests of others), and (f) ethicality (governing actions through moral conduct) (Folger & Cropanzano, 1998; Chan, 2000).

Interactional justice consists of two sub categories – enactment and treatment. The latter takes account of the ethicality criterion with the general concept of treating people in a civil and polite manner. It is the latter that inspired organisational justice academics to investigate and write about the moral principles governing or influencing conduct. This underlying theme is almost certainly best desribed by Greenberg's (cited in Folger & Cropanzano, 1998, p. 48) term, "interpersonal sensitivity". Tyler (cited in Folger & Cropanzano, 1998, p. 48) also operationalised ethicality as being polite and showing concern for respondents' rights. Being civil and respecting people's rights states one way of seeing interactional justice as interpersonal sensitivity. Likewise, two studies by Bies (cited in Folger & Cropanzano, 1998, p. 48) recognised the following criteria: honesty, courtesy, timely feedback, and respect for rights. Timely feedback represents an aspect of

moral conduct. By engaging in timely feedback one will display sensitivity to another person's feelings (treating another person fairly according to universal standards of politeness) (Folger & Cropanzano, 1998; Chan, 2000).

According to Folger & Cropanzano (1998) an experiment by Greenberg demonstrated the effect of sensitivity to other's feelings as a feature of ethical behaviour. When regret is converse regarding a decision, it may not in actual fact convey any explanatory or informative content with reference to the decision-making process. Greenberg made a distinction between the information content of an explanation and the sensitivity expressed during the communication after a decision has been made. It was revealed that communications sensitively expressed (i.e., sensitivity conveyed by "I'm sorry") and communications providing sincere adequate explanations showed independent results. By providing a sincere, adequate explanation, it may be perceived as an expression of sensitivity about another's feelings – showing that the communicator (Agent) can empathise enough with the recipient (Victim) to recognise that the recipient wants to know the reason, i.e. - "why?". By giving an adequate explanation in a sincere manner it will cultivate respect instead of a person being treated like a non-human entity or an object of dislike not allowed explanations (Folger & Cropanzano, 1998).

Morally appropriate behaviour by the communicator (Agent) integrates effective endorsed procedures as well as interpersonally sensitive treatment of the recipient (Victim). Morally suitable behavior mirrors good intent, it takes the contentment of other people into consideration. Moral conduct therefore implies that when people are displaying behaviour, they do so not only out of self-interest, but also by taking the good of others into consideration (Folger & Cropanzano, 1998). As stated by (Folger & Cropanzo 1998, p. 49) "The search for justice in society or its institutions (e.g., organisations) is a search for actions and consequences reflecting one primary feature of underlying intentions - the intended support of a moral code that sustains cooperativeness sufficient for an inevitably interdependent human existence".

The following section provides a brief overview of organisational justice concepts and their relationship to change.

2.3.3 Organisational justice applied to organisational change

One of the first approaches to understanding the causes of perceived organisational injustice is contained in Adams's Equity Theory in 1965. Adams paid attention to the reasons and consequences of distributive justice not perceived in exchange relationships between persons (Folger & Skarlicki, 1999; Cropanzano & Folger, 1989).

Experiencing inequity could be similar to the feeling present when experiencing a demotivating factor. When an employee experiences a negative situation at work e.g. underpay, the employee could alter his perception about the situation psychologically or behaviourally. The psychological stance entails that the employee may focus on other work related factors that will aid an attitudinal change – the employee focuses on the working environment and perceives it as good in an attempt to restore the feeling of justice. The behavioural approach entails different actions driven by aggression to harm the organisation in order to restore the injustice perceived. Examples of behavioural responses to inequity could incorporate actions such as theft, sabotage and even violent revenge (Folger & Skarlicki, 1999).

Studies in the field of justice also included interactional justice - employees' perceptions of the quality of the interpersonal treatment received when organisational procedures are implemented. Interpersonal justice takes into account a range of behaviours showing social sensitivity, such as supervisors managing employees with respect and dignity (i.e. listening to workers uncertainties, providing adequate explanations for decisions, demonstrating empathy for employee difficulties). It was noted that a significant amount of perceived injustice referred to the way in which employees are treated interpersonally during interactions and encounters and did not necessarily relate to distributional or procedural issues (Folger & Skarlicki, 1999; Cobb, Folger & Wooten, 1995).

Bensimon (cited in Folger & Skarlicki, 1999, p. 38) reported that dissatisfied employees who became aggressive in response to organisational downsizing did so due to the fact that the way the decision was rolled out deprived them of their human qualities and not because they were demoted, dismissed, or laid off.

Distributive, procedural and interpersonal justice, offer a framework for researchers to understand organisational change issues and steer managers and consultants in their methods and approach to change (Folger & Skarlicki, 1999).

In view of the fact that employees experiences at work are influenced by their interpersonal justice perceptions, it could be argued that these justice perceptions have an effect on feelings or attitudes at work. The next section focuses on job satisfaction as a resulting attitude with reference to interpersonal justice.

2.4 Job Satisfaction

According to Newstrom and Davis (1997) job satisfaction can be thought of as a set of positive or negative feelings and emotions with which employees regard their work. Job satisfaction is an affective attitude – a feeling of relative like or dislike toward something that individuals hold about their jobs. Employees' feelings towards their job results from their perceptions of their jobs. Perceptions regarding one's job are caused through aspects relating to the work environment e.g. managerial style, policies and procedures, working conditions, compensation and incentives.

According to Newstrom & Davis (1997) attitudes are relatively good predictors of behaviours. Attitudes are the feelings and beliefs that influence employees' perceptions about their work environment, and in the end dictate how employees will operate; thus, attitudes offer hints on employees' tendencies to display certain behaviours at work. Positive job attitudes aid in predicting industrious behaviour; negative job attitudes aid in predicting unwanted behaviours. Employees feeling frustrated and unhappy at work may

engage in psychological withdrawal, physical withdrawal, or even perform overt acts of aggression and retaliation for supposed mistakes.

Organisations are encountering different changes on all levels and parts thereof. Change could affect the whole organisation even if it is only applicable to one division. Individuals, according to their attitudes, interpret each change. The way people feel about change could be a deciding factor in the manner they will act (Newstrom & Davis, 1997).

Negative attitudes are an indication of hidden difficulties and could therefore have the potential to add to future problems in the organisation. Employee attitudes are evidently considered necessary to organisations. Organisational behaviour is the study and application of knowledge about how employees perform in an organisation. Negative attitudes may result in strikes, work slowdowns, increased absenteeism, and higher employee turnover. Negative attitudes may also be a part of grievances, low performance, poor product quality and poor client service, theft, and disciplinary problems. Organisational costs associated with negative employee attitudes may have a direct impact on organisational productivity (Newstrom & Davis, 1997).

Management want good and constructive attitudes, and these attitudes are linked to the positive outcomes that managers desire. According to Newstrom & Davis (1997), a feature of a well-managed organisation is employee satisfaction along with productivity.

A key challenge for managers is managing employees who more and more expect to have concern shown for their attitudes and feelings, and who expect reward. An important reason for studying job satisfaction is to provide managers with guidelines on how to improve employee attitudes (Gibson, Ivancevich & Donnelly, 2000). Studies on job satisfaction frequently focus on all the different aspects that are seen to be important when constituting job satisfaction e.g. pay, one's supervisor, the nature of tasks performed, the employee's co-workers or team, and the immediate working conditions. Job related attitudes influence employees to behave in certain ways at work (Newstrom & Davis, 1997).

According to Gibson et al. (2000) job satisfaction is illustrated when employees perform their work with fulfilment and contentment. Specific outcomes attached to jobs differ from employee to employee. The difference lies in the importance and the value they attach to the job outcome. Hence, job satisfaction is influenced by employees' perceptions of the outcomes they receive. Relevant individual differences in job outcomes include job involvement and employee commitment to the organisation. Employees vary in the degree that: (a) work is the most important interest in life, (b) involvement at work, (c) work forms part of their self-worth and identity, and (d) work reinforces the view of self. Employees who are not active at work or dedicated to the organisation will not experience the same degree of satisfaction as an employee who actively contributes and participates in the organisational activities. The above illustrates that employees with the same level of performance could report different levels of satisfaction (Gibson et al., 2000).

Employees consider fair rewards differently in terms of the perceived equity of the outcome. When employees with similar jobs that require similar efforts are rewarded differently, this reward (the outcome) can be perceived as unfair. The employee perceiving inequity will experience displeasure and attempt to alter the inequity either by seeking better rewards (primarily extrinsic) or by being less productive at work (Gibson et al., 2000).

The area of the relationship between organisational justice perceptions and job satisfaction appears to be inadequately investigated although empirical research has shown a significant relationship between organisational justice perceptions and job satisfaction (Veeren & Katz, 2002).

Researchers established that employee job satisfaction is highly reliant on the perceptions of fairness. It needs to be noted that the above study paid attention to distributive and procedural justice perceptions and it did not take into account the role that organisational

change has on the relationship between fairness perceptions and job satisfaction (Veeren & Katz, 2002).

When distributive justice, procedural justice and interpersonal justice is perceived by employees in an organisation, the organisation reinforces an environment that shows consideration for their employees and a interest for employees' well-being. This implies that employees are more satisfied in an organisation where justice prevails (Veeren & Katz, 2002).

Research investigating the responses of employees who remained in the changed organisation established that the remaining employees had a greater likelihood of satisfaction if the information explaining the reasons behind the actions was sufficient and empathy was displayed to employees (Veeren & Katz, 2002). It could be said from the above that fair interpersonal treatment of employees is vital in the achievement of a change intervention, mainly those being implemented through managers. Successful change is directly dependent on clear and open communication to those involved and the communication of the consequences that may be encountered as a result of change. The degree of job satisfaction experienced by employees is caused by employees' perceptions of interpersonal treatment. The above shows a need for investigating and researching employees' perceptions of fairness in organisations and how fairness influences the degree of their job satisfaction (Veeren & Katz, 2002).

During organisational change the relationship between justice perceptions and job satisfaction is influenced by two particular variables that focus on communication and social sensitivity treatment.

Research has shown that negative employee attitudes during change in organisations could result in lower job satisfaction. The degree of job satisfaction during organisational change can be increased if employees' fears are replaced by feelings of safety and a sense of belonging is experienced. When employees experience perceptions of fairness it can

result in a positive attitude towards the changes in the organisation and result in a higher degree of job satisfaction (Veeren & Katz, 2002).

Communication during a change process is one of the most important factors to follow. It is best practice to keep all relevant parties informed during the change. This is due to the fact that change dynamics result in the requirement for more communication and focus on politics and stance in the company (Galpin & Herndon, 2000). All communication channels should be investigated (Krieg, 2002). As a determinant of interpersonal justice perceptions the next section discusses the role of communication in the change process.

2.5 Communication

When people are interacting, the messages conveyed are filled with perceptions, attitudes, and interpretations. Communication relies on perceptions, attitudes and interpretations and is affected by these variables. The content of the message when two people interact is reliant on the perception of self as well as how they perceive the person with whom they communicate. Their perception is influenced by their motivation at the time of the communication. Motivation refers to objectives and desires underpinning the reason for interacting. The message conveyed during the interaction is directly based on the perceptions and motivations of the parties communicating therefore misinterpretation is a feature present in all communication. Adding to the above, the communication channel e.g. email, intranet, and face-to-face communication has a tendency to impact the interaction (Lau & Shani, 1992; Hersey & Blanchard, 1993).

Information, communication, interest and power can be seen as the basis of decision-making. Activities that occur in organisations are a result of a variety of decisions made by those involved. Decisions made in an organisiation are determined by specific groups involved and are influenced by information and opinions from additional groups concerned (Dawson, 1996). Communication could be regarded as an utmost important process in organisations. For those in the organistion responsible for dealing with

complexity and uncertainty, whether originated due to external or internal forces, it is of importance to generate information and to communicate the information (Dawson, 1996).

On the basis of American evidence it was estimated that out of the information communicated by top management, two-thirds of it was understood as intended by vice presidents, 40 percent of it was understood by middle managers, 30 percent by foremen and 20 percent by production operators (Dawson, 1996). Communication and decision-making are interlinked in organisations and they could be viewed as a vital process in organisational activities. Although communication and decision-making are not always performed during times of change, it could be argued that communication and decision-making present a structure for the origination of organisational and individual outcomes (Dawson, 1996).

In organisational surveys managers ranked communication as a problem. Robert Blake and Jane Moutan (cited in Lau & Shani, 1992, p. 277) found, in a survey of managers in three countries, that communication was ranked as a key barrier to organisational effectiveness by 74 percent of the responding companies in the United States, 63 percent in Great Britain, and 85 percent in Japan. Communication can cause major conflict and misunderstandings between two people, between members of a team, between groups, and within the total organisation as a system. By understanding the fundamentals of communication it could assist individuals to become more effective. Therefore, communication could be seen as a vehicle to assist one in understanding human interactions and in learning techniques that enable one to alter one's own behaviour thereby affecting the behaviour of others (Lau & Shani, 1992).

2.5.1 Organisational Communication

Employees have the need to be made aware and understand what is taking place in the organisation. Organisations need to communicate with the environment externally and internally through a particular system. Researchers have identified five basic internal

organisational communication systems: (a) downward communication; (b) upward communication; (c) horizontal communication; (d) the grapevine; and (d) networks (Hersey & Blanchard, 1993; Gibson et al., 2000). These five systems form part of a formal or informal communication channel. A fixed well-established communication process in the organisation represents formal communication. Informal channels refer to communication not following the fixed communication process e.g. the grapevine.

The most frequently used communication in an organisation is downward communication that flows from management to subordinates. Misinterpretation of the message conveyed during downward communication takes place when a manager filters the quantity and quality of the content. A manager needs to be alert to what is conveyed to subordinates and if it entails withholding information it would not always be seen to be to the disadvantage of the organisation (Hersey & Blanchard, 1993; Gibson et al., 2000).

Upward communication is communication that flows from subordinate to management. Upward communication gives subordinates the opportunity to respond to management on matters regarding the way the organisation is run and managed. The content of this communication is enhanced by a well-established relationship between manager and subordinate. In order to receive valuable feedback the managers can use active listening skills and encourage and create an environment where negative and positive feedback will be valued. Upward communication could be via verbal and written channels (Hersey & Blanchard, 1993; Gibson et al., 2000).

Horizontal communication refers to communication taking place between employees with same status and level. Horizontal communication focuses on day-to-day running of procedures and processes between two employees or within a team. During times when disruption and stress occurs, horizontal communication can convey information freely since it is out of the control of the managers. Horizontal communication plays a major role in decision-making and adds to the smooth running of day-to-day activities including looking after the well-being of the employees working together (Hersey & Blanchard, 1993; Gibson et al., 2000).

Grapevines originate because of the inherent need of employees to receive and share information. Information via the grapevine spreads at a fast pace throughout an organisation. Information conveyed is based on perceptions and emotions containing irrelevant facts and therefore can be seen as incomplete. Management could frequently underestimate the power and influence of the grapevine in an organisation (Hersey & Blanchard, 1993; Gibson et al., 2000).

An effective leader realise the importance of giving employees the opportunity to express themselves and provides employees with useful information without using the formal communication channels. A culture characterised by withholding information, displaying secrecy and reinforcing hostility amongst employees contributes to the necessity of the existence of a grapevine (Hersey & Blanchard, 1993; Gibson et al., 2000).

Networks constitute the second informal communication system in an organisation. Networks are formed when employees interact on a social level inside and outside the organisation as well as during the official working hours. Networks can contribute to the way in which employees view and identify themselves with the organisation and could enhance the informal side of work (Hersey & Blanchard, 1993; Gibson et al., 2000).

Communication in an organisation is vital to obtain support from its stakeholders during organisational change. Employees need to be informed, as has previously been discussed, about organisational changes to facilitate the feeling of security and to ensure co-operation amongst employees. Change often disrupts the procedures needed to inform employees about the change that is taking place. Management may not be aware that this important feature is interrupted by change and therefore it may be neglected when in practice the flow of information is vital for the smooth implementation of change (Newstrom & Davis, 1997).

2.5.2 Communication as part of the change process

Communication is a major part of any change process and therefore is of vital significance in a merger or an acquisition. A M&A arrangement is a platform that creates ongoing change that is characterised by unfounded stories and crisis management.

To lessen the unfounded stories and ease the need for crisis management, clear and frequent communication throughout the implementation of a M&A is important (Galpin & Herndon, 2000; Harvey & Newgarden, 1969). Management can ensure, by communicating effectively, that unfounded stories and unreliable sources of information do not become the main supply of data relating to the change. As Ashkenas, De Monaco, and Francis wrote (cited in Galpin & Herndon, 2000, p. 13) " Communicate, communicate, and then communicate some more... Keeping the communication process going - and making it reach broadly and deeply throughout the organization - requires more than just sharing information bulletins".

According to Galpin & Herndon (2000) an effective communication plan for a merger is guided by several principles:

a) Effective communication should be made a main concern. Communications put across should be linked to the strategic objectives of the change effort. Any messages about a specific outcome should communicate the reasons for the outcome and the consequences thereof. Communication should be directed at the appropriate receivers (Galpin & Herndon, 2000).

b) All communications should be open and specific and should not avoid addressing concerns. Difficulties that entail specific problems should be dealt with in a detailed manner.

c) The emphasis of the communication plan should be proactive rather than reactive. The communications during the merger and relating to the merger should be well planned and reach the recipients ahead of actions taken.

d) All messages should be regular and frequent through the various channels selected for communication during the M&A process. The channels may include videos, memos, newsletters, and especially, regular face-to-face meetings between managers and employees. Even since the early 1990's face-to-face communication was seen as an effective change management tool, allowing employees the opportunity to receive messages directly from the decision-makers. The true content of messages are more likely to be heard and understood by employees if management combines the different communication channels (Galpin & Herndon, 2000).

e) During all phases of organisational change there should be devices in place that support feedback to and from management to all stakeholders involved. Feedback should focus on the relevant issues and matters during the integration of the change (Galpin & Herndon, 2000).

During times of change, management may choose not to share information freely with employees, in an attempt to ensure that employees gain information only through the official channels. This adds to the belief that integration efforts are usually inadequately managed. On the contrary, the grapevine is always providing information. Senior level management need to be aware that their actions during the integration process send a strong message to all employees. An employee knowingly or unknowingly interprets the message and perceives it in a certain way. In turn this perception influences their behaviour that could have a detrimental effect if it does not add to the buy-in of the change intervention. Organisational wide communication should be given to a specific department during change. This should not imply that senior management is not ultimately accountable and responsible for the integration process. This department would normally be responsible for assistance in formulating information, choosing communication channels and the implementation of the communication process throughout the organisation (Galpin & Herndon, 2000).

Another problem could develop during the integration period if the communication to stakeholders is not clear and transparent. This could have the effect of employees

questioning management's honesty regarding the changes and therefore could lead to distrust in the organisation. In summary, when merger-related communications are inadequately planned it may result in chaos once the implementation is rolled out. Such chaos refers to ambiguity regarding positions and future direction. It could be advocated that a thorough communication process enhances employees' buy-in and dedication to organisational change (Galpin & Herndon, 2000).

It might be argued that when management have made the decision regarding the implementation of the change, they most likely have dealt with their fears and therefore they may be of the opinion that to communicate to employees the actions needed, and the actions that are occurring, is not that important. As shown, open communication is what is really needed as the integration moves down all levels of the organisation. It is important to be aware that during the integration process employees will have the need for information and could generate useful ideas.

2.5.3 A four-phase communication process

Table 7 represents four phases of the communication process during an integration effort. In phase 1, the merger or acquisition is announced to all employees, and the details are explained. In phase 2, the focus is on identifying any issues that may arise, such as employees' worries about possible layoffs. In phase 3, when the rollout occurs, communication should include information about the proposed changes. This phase also includes training new skills, roles, and methods. Messages in phase 3 must be specific, focusing on the implications of the integration for all employees and for the organisation as a whole. In phase 4, feedback is obtained, and the implementation of the integration plan is fine-tuned (Galpin & Herndon, 2000).

The communication process progresses through different stages during the integration process. During the integration process certain features should be present. The most important one is management's support. Another is the effort to keep employees informed about how the proposed changes will fit the organisation's values and strategic focus. This effort helps employees to view the merger or acquisition as necessary to organisational survival (Galpin & Herndon, 2000).

Table 7 A four-phase communication process

Phase	Scope	Purposes
Phase 1: Awareness building "This is what is happening."	Corporate-wide	Link integration initiatives with strategic plans. Reaffirm the organisation's values. Give specific information about the process. Announce senior management's involvement and support.
Phase 2: Project status "This is where we are going."	Organisation-specific	Demonstrate senior management's commitment. Reaffirm the strategic rationale. Identify managers' and employees' issues. Provide the big picture.
Phase 3: Rollout "This is what it means to you."	Integration-specific	Continue to show senior management's commitment. Provide specific information on the changes being made and how they will affect people. Provide training in new roles, skills, and methods.
Phase 4: Follow-up "This is how we will make it work."	Team-specific	Continue to show senior management's commitment. Reaffirm the organisation's values and strategic focus. Listen to and act on managers' and employees' needs to implement changes. Refine changes to ensure success.

(Galpin & Herndon, 2000)

It is critical to get stakeholders buy-in in order to guarantee the success of a merger or an acquisition. It is essential to supply employees with (a) knowledge about the change, (b) new competencies needed and, (c) cultivate enthusiasm towards all implementations (Galpin & Herndon, 2000; Harvey & Newgarden, 1969).

Communications to the involved parties ought to include the reason for the integration process, new positions and status as well as benefits. Communication mediums could consist of: memo's, speeches, face-to-face meetings, videos, newsletters, electronic message boards, training sessions, news releases and posters. Consistencies in communication would ensure credibility (Galpin & Herndon, 2000; Harvey & Newgarden, 1969).

Employees will search for answers regarding personal matters and will have a need to know about the functioning of different divisions in the new merged entity. These matters have a direct impact on each other e.g. answers on organisational issues will facilitate answers to personal questions. Clear, constant, and frequent communication, even in the form of quick short messages on development, could ensure buy-in from employees in the process. Silence should be avoided since it could raise more concerns than adding value.

In practice the reality is that the organisation needs to improve communication in an integration effort on all levels and to all stakeholders throughout the process (Galpin & Herndon, 2000; Harvey & Newgarden, 1969; Simmons, 1988).

Employees are really interested in the merger activity because they want to know what awaits them in terms of the new corporate culture, the details of changes in job descriptions, working arrangements, and the terms and conditions of employment. A steady workforce could be achieved by the single moderator known as constant, consistent, and clear communication (Ben Daniel & Rosenbloom, 1998). The quality of communication can have an important impact on the success of a change process (Hayes, 2002; Galpin & Herndon, 2000).

The following section briefly considers the features of communication networks that relate to the management of change and the effect of the quality of interpersonal relations on the quality of communication.

2.5.4 Features of communication networks

Four features of communication networks will be considered and these refer to directionality, role, content and channel.

Directionality: In the majority of cases the management of change is usually a top-down process. Management are in charge of informing all stakeholders regarding the need for change, what the outcome will be and what actions are needed. Change management in addition requires upward communication that offers managers information assisting them to refine the need for change, and develop and implement a change programme (Hayes, 2002).

Role: The nature of the role of an employee in an organisation could indicate the importance of the employees' involvement in organisational dealings. Certain roles occupied by employees dictate the involvement of employees, and it could be argued that the employee with less involvement is isolated. To illustrate, a public relations officer is less involved within the organisation than, for example, a line manager of a division. In light of the above, communication content could be influenced by the roles that employees fulfil in the company. Inter-role relationships are also relevant in communication due to the fact that employees communicate different things to different employees based on their role in the company (Hayes, 2002). When planning to communicate with employees regarding suggested changes, one needs to bear in mind those employees with isolated roles. Due to their isolated roles, employees may not receive communications and therefore may more easily feel excluded than employees with a more involved role (Hayes, 2002).

Certain employees fulfil roles with no boundaries and they can communicate information to all stakeholders e.g. a public relations officer fulfils a role that connects the organisation with all stakeholders (Hayes, 2002). It is argued that a possibility exists that vital information at times is filtered into organisations via informal and individual networks. The employees who gain such information are often not those in the position of managing change. Although this is the case, such information does reach those managing the change, however they may not realise the importance of the information and at the same time the message could be construed (Hayes, 2002).

Content: When organisations are inclined to learn and change, awareness is given to the worth of attending to external information and integrating this with information that is usually offered to organisational members. External information is, most of the time, unfamiliar and responding to it could usually lead to difficulties and uncertainty. Organisations are likely to favour the known internal information that could be associated with fewer difficulties and uncertainty and more easily integrated into the paradigms that are used for making sense of the change (Hayes, 2002).

The managers in charge of the change process have to pay attention to content matters of communications and consider the significance of the information contained in the message. The well-being of an employee may be affected by his/her perception on receiving a message, be it good or bad news (Hayes, 2002).

Channel: Information and meaning can be communicated in many different ways, for example, written communication via hard copy, electronic communication via email, video conferencing, telephone, face-to-face communication on a one-to-one, one-to-group or group-to-group basis. It is proposed that written communication may be ineffective when the sender and receiver have language differences and thus use different words and terms, whereas oral communication may be most effective in the case where there is a need to exchange views, request input and where there is a need for an instant opportunity for explanation. While organisational settings dictate the manner in which communication should take place, other factors may prevent the use of the most

appropriate communication medium. These factors could refer to location, funds available as well as time limits (Hayes, 2002).

2.5.5 Interpersonal effects on the quality of communication

During a change process the need for information exchange is vital for the receiver and the recipient. The quality of the communication offered to each other is reliant on the trust between the two parties. Studies have indicated that lack of trust influences the giving of relevant information by conveying positive messages that may not be of significance and withholding information that could be more important. When the recipient is in a position of power, the sender could be cautious of what is communicated (Hayes, 2002).

For receiver and sender to be open and honest during communication is not always as straightforward as it seems. The behaviour of the receiver and the sender are influenced by interpersonal interactions which can be, at times, characterised as complex. Figure 1 illustrates the interaction between change managers and the members of the organisation. The change managers often dictate the situation and act in a way that will benefit their viewpoint. This relates to how the change managers want to be perceived and how they perceive their employees. Change managers (A) try to influence employees' understanding of the change according to the value they place on the situation (Hayes, 2002).

At stage 2, in Figure 1, the employees (B) search for understanding of what is conveyed by change managers (A) and what consequences it will entail. Step 2 could represent information sessions for change managers to gather details on employees needs or it could represent a forum to gain the employees buy-in to the change process (Hayes, 2002).

The change managers (A) need to be aware that verbal and non-verbal actions could be interpreted differently by the employees (B) than intended. If employees (B) perceive change managers (A) to be sincere and honest, it could lead to the employees (B) co-operating and providing information needed in the change process. On the other hand, the opposite could happen until the employees trust the change managers (A) motives. The above occurs during stages 3 and 4. It has been noted that a human being not only acts, but also reacts to his own actions and likewise to those of others (Hayes, 2002).

Stage 4 in the circle, is dictated by the current behaviour of the employees (B). If the change managers did not communicate a clear message (at stage 1), it could lead employees to misunderstand the change managers desired behaviour and therefore respond in a way that the change managers did not foresee and their behaviour could be unsuitable in the change process (Hayes, 2002).

In stage 5 the change managers need to reflect on the current situation and they need to figure out the reasons for the employees' behaviour. Their interpretation of the employees behaviour could aid in evaluating the significance and reliability of information communicated by them. Information that carries weight has the characteristics of looking after the wel-being of others and is filled with empathy. This information could be a valuable tool in translating the meaning of others' needs and wants (Hayes, 2002).

On the basis of change managers' interpretation of the situation, including employees (B) behaviour, the change managers (A) can practice the next move (stage 6) before they make a decision on how to act. The above is an ongoing process and in each stage employees and change managers' interactions are of utmost importance. The purpose of this example is that the nature of the interaction will have an impact on the interpretation of what has been observed and conveyed between (A) and (B). The nature of the interaction will also influence the validity and relevance of the information shared between the parties (Hayes, 2002).

CHANGE AGENTS PROJECT AN IMAGE THAT INCLUDES THEIR DEFINITION OF THE PURPOSE OF THE INTERACTION AND THE ROLE OF THE ORGANISATIONAL MEMBERS

What the change agent consider doing is related to:
- How they interpret the behaviour of the organisational members
- Their assessment of how their (B's) behaviour was influenced by what they (A) did (at stage 1)
- How they now anticipate the organisational members might respond to what they (A) do next

1.
Situation including behaviour of change manager (A)

6. A's rehearsal of Action

2. B's interpretation of the situation.

5. A's interpretation of the situation

3. B' rehearsal of action

4.
Situation including behaviour of organisational members (B)

What the organisational members consider doing next is related to:
- How they interpret the change agents' behaviour
- The way they anticipate how the change agents might respond to what they (B) might do next

ORGANISATIONAL MEMBERS MAY DECIDE TO WITHHOLD OR DISTORT INFORMATION
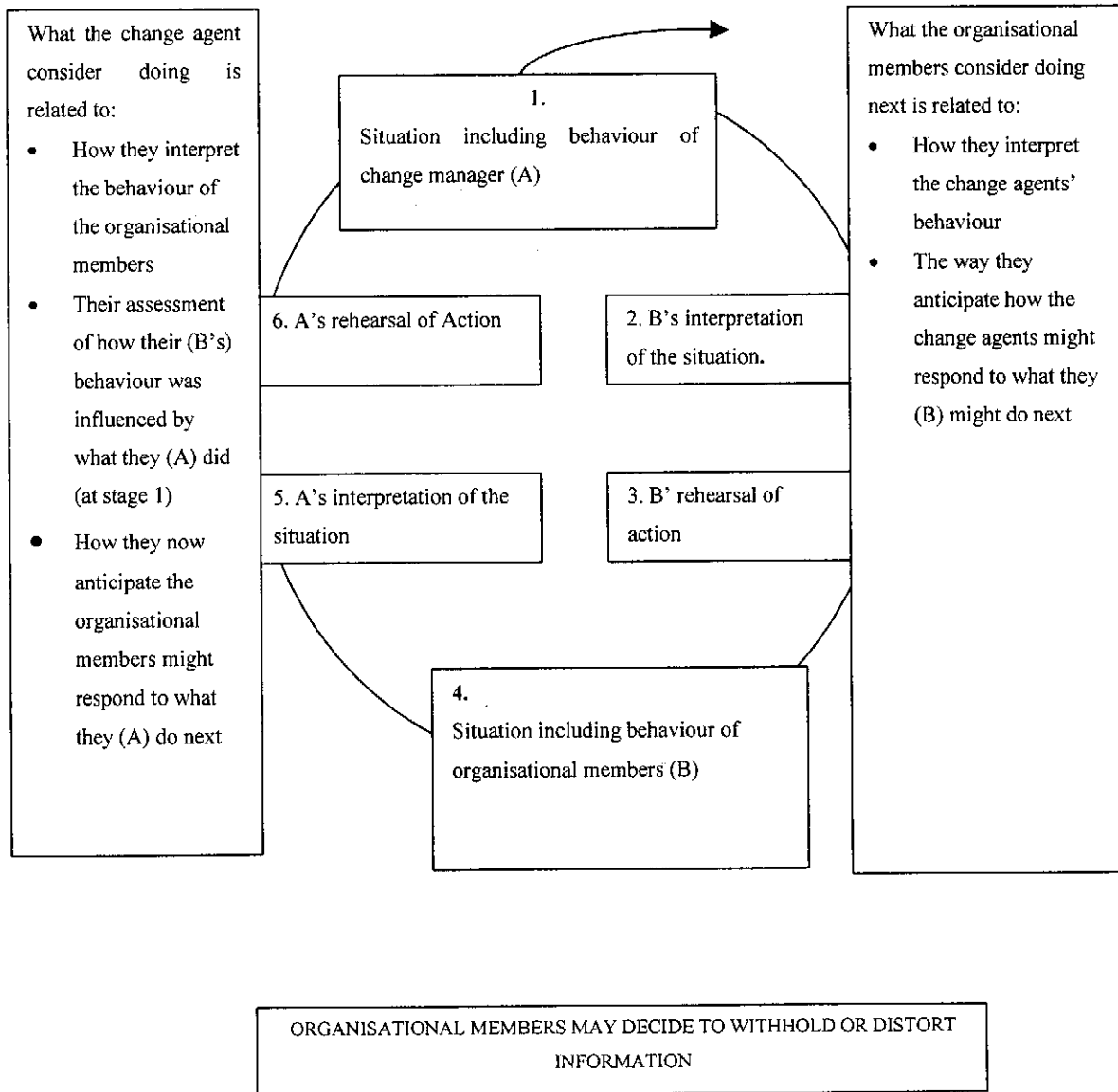
Figure 1   The interaction between change agents and organisational members

(Hayes, 2002, p.118)

2.6 Conclusion

The main beliefs of justice take up a central role in the functioning of groups, societies and organisations since our everyday lives involve social interactions between different individuals and groups. A person regularly evaluates fairness of interactions resulting in justice judgements and/ or perceptions. Within society, rules, norms and standards influence outcomes of interpersonal exchanges (Veeren & Katz, 2002).

Organisational justice has a direct link to fairness in the workplace. Through the different dimension of organisational justice, employees can evaluate if they have been treated fairly by the organisation and this perception will have an effect on different aspects of work (Moorman, 1991).

It is important to note that organisations have to take measures to ensure that employees are well informed and treated with respect and dignity at all times, particularly during organisational change. Making provision for such employee needs can have positive outcomes for the individual employee as well as for the organisation as a whole.

The following chapter details the approach to and methods of data collection, interpretation and analysis.

CHAPTER THREE - METHODOLOGY

The research problem was situated in the dynamic context of a merger and acquisition process. The merger in the research entailed combining the special expertise of four entities to form a new group. Thus a new organisation was established and resulted in a mixture of cultures, processes, policies and employees. It was argued that the difficulties experienced by the employees of the New Group might differ at various job grades due to the communication network system used during the integration phases of the merger process. It was also likely that the senior employees at higher job grades may experience a feeling of less uncertainty, due to more adequate information received regarding the change and the negative impact on their job satisfaction may therefore be less.

The research problem focused on the effect of organisational restructuring/change (i.e. Merger & Acquisition process) on employee post-merger work behaviour and whether post-merger work behaviour differs between job grades.

The specific hypotheses that were set are the following:

Hypothesis 1:   A statistically significant difference between the perceptions of interpersonal justice (as it manifests in informational justice) at different job grades exists.

Hypothesis 2:   A statistically significant difference between the perceptions of interpersonal justice (as it manifests in social sensitivity) at different job grades exists.

Hypothesis 3:   A statistically significant difference between the levels of job satisfaction at different job grades exists.

Hypothesis 4:   A statistically significant relationship between perceived interpersonal justice and job satisfaction exists.

With reference to the above stated research problem and objectives as well as the stated hypotheses, Chapter 3 details the methods employed in this research. The chapter consists of two sections in which both the qualitative method as well as the quantitative method utilised in the research are explained. Although mention has been made of it in Chapter 1, a brief overview of the merger and acquisition that resulted in the New Group (that participated in the empirical part of the research) is also provided in this chapter.

Studies that integrate the qualitative and quantitative methodologies provide a practical and realistic technique or method (Cresswell, 1994). An underlying principle for combining methodologies entails the belief that two contrasted theories may be able to explain a set of phenomena although each separately only accounts for some aspects. The belief is that the two methodologies enhance each other or form a balanced whole (Morgan, 1998).

In general, qualitative research examines people's words and actions in narrative or descriptive ways more closely representing the situation as experienced by the participants. It is believed that qualitative research gains in-depth understanding of a given concept. Qualitative methods are of vital importance in understanding perceptions, meaning and social realities. The aim of the study was to understand how the employees from the original four entities that comprised the new group perceive their new working environment, how this effects their perception of fair treatment and the impact thereof on their job satisfaction. Therefore qualitative research was considered as appropriate to get an understanding of the employees' perception, perspective and their experience of the change process (M&A).

More specifically, the purpose of this study was to test the differences in informational justice, social sensitivity and job satisfaction at different job grades. Further to this, the researcher explored the relationship between perceptions of interpersonal justice (in the form of social sensitivity and informational justice) and job satisfaction. A quantitative methodology was used because of the traditions of quantitative method within this area of work. The advantage of using a quantitative method is that it produces tangible data, which is easy to work with, and objective data, on which statistical operations allow for comparisons or generalisations, thus making it suitable for this study.

The next section details the qualitative method of the present study. This section discusses the qualitative methodology, population and sampling, data gathering and analysis.

3.1 Qualitative Method

Qualitative methodology attempts to explain the meaning of words and actions involved in the phenomena being studied. The interpretive paradigm of social research contains the qualitative methodology (Terre Blanche & Durrheim, 1999). This implies that the researcher regards reality as being composed of a constant fixed realm directed by rules, as well as a person's personal sense and feeling of that realm. In essence, the interpretive approach attempts to elucidate the subjective understanding of social actions and the motivation and significance underlying the actions. Qualitative research intends to create a thorough understanding of a complex phenomenon instead of only pointing out apparent tendencies already existing (Mason, 1996).

Qualitative methodology includes a range of methods with the aim of explaining, interpreting and clarifying occurrences in the social realm in order to make sense of the events in the social realm. Applying the qualitative approach entails using language codes, with the aim of bringing subject knowledge and the environment and experiences

closer in order to understand the specific research social phenomena (Van Maanen, 1989).

According to Marshall and Rossman (1989) qualitative methods are suitable for research which is exploratory or descriptive and where context and setting are important.

3.1.1 Population and sampling in respect of the qualitative method

In scientific studies,and in normal day-to-day activities and conversation the word sample is used in different ways. A sample could be seen as a device that provides practical and efficient means to collect data about the entire population. The word sample refers to a part of the whole population and it is employed to obtain information about that specific population. A sufficient sample could be seen as one that represents the population and thereby has the possibility of being a true reflection of the occurrence in the population. In selecting a sample the researcher needs to determine which individuals, conditions, actions, behaviours and social processes will be representing the population in order to increase the amount and value of information on participants and decrease the changes of omitted facts regarding the phenomena being studied (Terre Blanche & Durrheim, 1999; Henry, 1990).

It would not be practical or feasible to investigate and analyse information from the population as a whole, and the risk of inaccurate inferences being made are high. Therefore, sampling techniques are used to conduct social research. Samples are a tool that can assist the researcher to gain information about a population therefore the value of samples lie in the fact that it is a tool that enables the researcher to gain access to the larger population (Wright, 1979).

The study was conducted at the mentioned South African financial institution that came into existence as a result of a merger. The merger entailed the combining of four organisations. A new organisation was established and resulted in a mixture of cultures,

processes, policies and employees. A small central merger and restructuring (M&R) office co-ordinated the merger. Employees were kept updated on the progress of the merger through regular emails, newsletters, a question and answer facility and call a centre. The change in the workplace, due to the merger, has been shown to impact negatively on employees resulting in increased job insecurity, higher levels of stress, uncertainty and a greater desire to leave the organisation.

A nonprobability sample design was used for the qualitative part of the study. Nonprobability sampling refers to a set of sampling techniques that have the unique feature that subjective judgement is present when selecting the sample. Through personal selection the items of the population that are enclosed in the sample are identified (Henry, 1990).

The sample selected from the New Group consisted of eight employees representing all four previous entities, ranging from job grades NG3 – NG4. Taking into account the different grading systems of the four separate entities involved in the merger, a technical correlation was done and positions were benchmarked to fit into a band. Job titles included in the NG3 band are that of a Manager/Professional and the job titles included in the NG4 band are that of a Senior Manager/Senior Professional. Job grades were introduced through broad banding to help transform the business into a client-centric high performance organisation following the integration (Official data: participating organisation, 2003).

3.1.2 Data gathering

According to Brenner, Brown & Canter (1985) as early as 1942, Allport, pointed out that if you wanted to know something about people's doings the best way of finding out was to ask them. This tradition, of asking people, has expanded and developed to assess and evaluate individuals' actions in all facets of life. It is this devotion to deal with individuals as the centre of their world, as they understand it, or as a valuable informant

of particular information, that renewed the attention of interviewing as a measurement technique. An interview provides the opportunity for two parties to interact thereby reaching a common agreement and enhancing knowledge through the information shared (Brenner et al., 1985).

Almost certainly the worth of interviewing as a research technique is that it allows for the interviewer and interviewee to search for the significance of the questions and answers exchanged. An open and clear exchange of information and negotiation of understanding during the interview is present. Any uncertainties and confusion on the part of both parties could be clarified there and then, something that cannot be done when questionnaires are being completed, or tests are being performed (Brenner et al., 1985).

The fundamental intent of the use of the interview implies that individuals can comment on their experiences and feelings in the normal course of their lives. The interview is trying to utilise the everyday doing of having conversations. The research situation however has quite a unique talkative stance with certain features that are always present, for example, the interview style and setting. Interviewing as a research device is flexible and has the advantage of dealing with a wide range of topics. During the interview process, both the researcher and the representative of the population are given the opportunity to share experiences, exchange views, understand the reason for actions and clarify information conveyed (Brenner et al., 1985).

The majority of qualitative researchers often depend on in-depth interviewing as a data collection technique. In-depth interviewing could be explained as an interaction between parties in order to gain a specific outcome. A distinction between qualitative in-depth interviewing and a structured formal interview is that the former allows more free flowing conservations during the interview process. This entails that the researcher provides a number of discussion points and the respondent can reply in a manner that he or she feels most comfortable with. An essential feature of qualitative research lies in the fact that the researcher allows for the respondent to share their experience on the social

phenomenon being studied and not imposing the researcher's view thereof (Marshall & Rossman, 1990).

The qualitative part of the research consisted of open-ended, in-depth interviews of approximately 45 minutes to an hour in which interviewees could freely respond and provide information which they felt was relevant. (See Appendix A). Questions in the interviews centered on the interviewees' experiences of the Merger and Acquisition process. Information was also sought about their perceptions and thoughts experienced at work, based on their perception of fairness in the change process. The opportunity to have face-to-face encounters with the informants allowed an understanding of their (informants) perspective on their lives, experiences, and situations as expressed in their own words, as well as an understanding of their world during a change process. Interviews as a data collection method were used because they allow participants to describe their experiences in their own words instead of being restricted to predetermined categories. They provide the researcher with an opportunity to probe for deeper meanings. They allowed greater flexibility, therefore many unexpected and interesting themes emerged.

Interviews allow a direct exploration of the participant's feelings, follow-up questions and subsequent interviews. The interview process provides the interviewees with an opportunity to release unpleasant emotional tension by talking and expressing feelings that they may have experienced during the change (M&A) process.

The disadvantage of interviews however are that interviewees may not be prepared to share certain information with the interviewer; the interviewer may interpret responses incorrectly; or the interviewee may not give truthful responses (Marshall & Rossman, 1990). Qualitative data may also have potential interpretation biases (Horwitz et al., 2002).

3.1.3 Analysis

Data analysis is the process of bringing order, structure, and meaning to the mass of collected data. Data analysis is not an orderly process and could be seen as muddled, unclear, time-consuming, creative, and fascinating. Qualitative data analysis is a search for general statements about relationships among groups of data (Marshall & Rossman, 1990).

The analytic process emphasises attentiveness and careful consideration of the data, and the ability to make fine distinctions between the underlying feelings and influences of social life. Identifying the most important or noticeable themes, repeated ideas or language, and patterns of belief that link people and settings together is the most intellectually challenging phase of data analysis and one that can integrate the entire effort (Marshall & Rossman, 1990).

Data analysis begins while interviewing is still in progress. After completing each interview and then again after finishing a larger group of interviews, one examines the data, extracts the concepts and themes that express the interviewees experiences, and decides which matter should be investigated with more depth (Rubin & Rubin, 1995).

To begin final data analysis, material from all interviews that refer to one theme or concept should be grouped. The material within the groups should be compared to look for variations and subtle differences in meaning. The goal is to integrate the themes and concepts into a theory that offers an accurate and detailed interpretation of the research domain. The analysis is complete when one feels that you can share with others what your interpretation indicates, for the theory, and for the understanding of the social and the political world of the participants (Rubin & Rubin, 1995).

Re-reading the interviews starts the coding process; this is done by having the general content clearly in mind. When the interviews are being re-read, one needs to think about the themes, concepts and ideas being investigated in the interviews. When the coding is

complete the data are categorised in different groups that allow one to compare what different interviewees said, what themes were discussed and how concepts were understood. Through examining the information within each category, one comes up with overall descriptions or explanations of the research domain being studied (Rubin & Rubin, 1995).

The process used for analysing the interview and observational data was essentially adopted from the notion discussed by Rubin and Rubin (1995). The authors explain that the purpose of the data analysis is to organise the interviews to present a narrative that explains what was discussed or provides a description of the norms and values that underlie behaviour of the research participants.

Thematic Analysis was used to analyse the data due to the fact that themes illustrate how categories serve in broader meaning making, and themes illustrate how the results may be communicated. A theme can be defined as a statement of meaning that is common to all relevant data, or it is relevant to the minority data that could be concerned with facts (Ely, 1991).

The process used in this study involved the reading and re-reading of the interviews in order to identify core ideas and concepts, sensitive stories regarding the merger and find themes amongst participants' experiences. The material was coded in a manner that grouped similar ideas together with the purpose of relating specific themes together. The coded data from the data gathering techniques were then categorised into the final broad themes that represent the collection of ideas raised by the research participants during the interviewing process.

Themes were gathered throughout the process of the research study. Themes were conceptualised during the interviews and conversations as well as during the process of reading the interview. The data analysis procedure was an intrinsic process that blended into every part of the study. In short, the research information was continuously being analysed during the study.

The next section details the quantitative methodology. This section discusses the quantitative methodology, the population and sampling, procedure, measuring instruments, data gathering and data analysis.

3.2 Quantitative Method

The quantitative approach may be described in general terms as a way of dealing with research in the social sciences that is prescribed, controlled, defined, and which, in terms of the methods used, is relatively closer to the physical sciences. The researcher tries to transpose a certain structure onto a fact or situation that is observed to exist or happen, especially one whose cause is in question (Burrell & Morgan, 1979).

The main purpose of research using more flexible non-experimental designs is to identify the crucial important differentiators from the available potential variables on a subject where the knowledge base is still developing, and to divide the key relationships between relevant variables that are likely to explain a particular phenomenon being studied. Its purpose is also to formulate new concepts, measures, and hypotheses that can contribute to future research. The main purpose of an exploratory design is to develop and refine research questions for more thorough and accurate studies. Exploratory designs have considerable advantages and are predominantly flexible in producing and integrating creative ideas and generating guides and patterns for further research and theory. Exploratory research has a critical function in the creating of original, innovative ideas, measures, and propositions, which then contribute to hypotheses for testing within thorough designs (Burrell & Morgan, 1979).

This study was explorative in nature, and used a quantitative non-experimental design.

3.2.1 Population and Sampling in respect of the quantitative method

When a complete list of all population elements exists or can be easily created, then simple random sampling can be used. The procedures for simple random sampling are convenient and inexpensive. A simple random sample is one in which every unit in the population has an equal probability of being included in the sample (Wright, 1979). The sample used for the exploratory survey included employees ranging from senior management, job grade NG4, to administrative staff, job grade NG1.

Two hundred and thirty (230) sets of questionnaires (see Appendix B) were electronically distributed to the employees of the New Group. A cover letter, which gave a brief overview of the study, accompanied the questionnaires. The cover letter outlined the need for respondents to answer openly and honestly and assured respondents of anonymity by asking respondents not to include their names on any of the questionnaires. Confidentiality was also assured and respondents were informed that the results of the study would only be reported in general terms.

After numerous electronic reminders over a period of three months, one hundred and fifty one (151) questionnaires were completed and returned to the sender. The sample used for this research represented 50 males and 101 females, ranging from job grade NG1 – job grade NG4. Job grade NG1 consisted of 25 sample employees, NG2 of 63, NG3 of 38 and job grade NG4 consisted of 25 sample employees. Job titles included in the NG1 band are that of an Administrator/Clerk, the NG2 band that of a Supervisor/Team leader and NG3 band are that of a Manager/Professional and the job titles included in the NG4 band are that of a Senior Manager/Senior Professional (Official data of participating organisation, 2003). (See Appendix C).

3.2.2 Measuring instruments and data gathering

- **Biographical Questionnaire**

A short biographical questionnaire was included in the set of questionnaires. The purpose of this was to gain information about the subjects. The questions related to the age,

gender, educational background, race and job grade of the subjects. These questions assisted in obtaining a better understanding of the sample and of the results received. The respondents were reminded that questions were asked for research purposes only.

- **Interpersonal justice**

Interpersonal justice (as it manifests in the form of informational justice and social sensitivity) was measured by a 10-item scale developed by Beugre & Baron (2001). All of the items are presented on a 5-point Likert-type scale ranging from 'Strongly agree' to 'Strongly disagree', where 1=strongly agree and 5=strongly disagree, in order for the respondents to indicate the extent to which they agree with each statement with respect to their present organisation (See Appendix B). The reliability coefficient for the scale, reported by Beugre and Baron (2001), was high with an alpha coefficient of .95.

- **Informational justice**

The informational component of interpersonal justice perceptions was measured by the Communication Satisfaction Questionnaire (CSQ) developed by Downs and Hazen (1977). The scale was developed in an attempt to discover the relationship between communication and job satisfaction. The items are measured on a Likert-type scale ranging from very satisfied (1) to very dissatisfied (7). The CSQ consists of 40 items (See Appendix B). Test-retest reliability of the CSQ was reported at .94 (Downs & Hazen, 1977).

- **Social sensitivity**

The aspect of social sensitivity, in terms of interpersonal justice perceptions, was measured by Chris Nunn's Interpersonal Justice Scale (1994). This scale is appropriate in measuring the extent to which employees perceive that they were treated with respect and dignity with regard to the changes in their organisations. The instructions were amended so as to take the context of the organisational changes into account. The scale consists of seven items that assess the extent to which employees perceive themselves to be treated in a socially sensitive manner at work (See Appendix B). The scale is scored on a three-point, Likert-type format with the options ranging from small extent (1) to reasonable

extent (2) and finally, great extent (3). Nunns (cited in Veeren & Katz, 2002, p.14) reported a Cronbach alpha of 0.81 and 0.77.

- **Job satisfaction**

Job satisfaction was measured by the Overall Job Satisfaction Scale (Warr, Cook & Wall, 1979). The scale consists of 16 items, 15 of which measure satisfaction with particular aspects of the job (See Appendix B). The 16th item looks at the employee's overall satisfaction with all aspects of his or her job. The scale is scored on a seven point Likert-type system with response options ranging from extremely dissatisfied (1) to extremely satisfied (7). There are two sub-scales within the Overall Job Satisfaction Scale that measure intrinsic and extrinsic job satisfaction. The extrinsic satisfaction sub-scale consists of eight of the items. The intrinsic satisfaction sub-scale consists of the remaining seven items. For South African samples, a coefficient alpha of .95 was obtained (Oakley, cited in Veeren & Katz, 2002, p. 14).

3.2.3 Data analysis

Descriptive statistics (means and standard deviations) were obtained for all three scales in order to obtain an overview of the sample's perceptions of interpersonal justice perceptions (as it manifests in social sensitivity and informational justice) and job satisfaction.

Analysis of variance (ANOVA) was utilised to ascertain if any significant statistical differences exists between the perceptions of interpersonal justice (as it manifests in social sensitivity and informational justice) and job satisfaction between different job grades.

The Bonferroni Multiple Comparison Test was conducted to ascertain where the differences lie.

Pearson's Product Moment Correlation Coefficient was utilised to determine if a relationship exists between perceived interpersonal justice and job satisfaction.

3.3 Conclusion

In this chapter the qualitative and quantitative methods were discussed in terms of population and sampling, data gathering, measuring instruments and data analysis.

The best way to obtain a range of different interpretations of reality present within the context of a study is to collect information about different events and relationships from different viewpoints. This requires that different questions should be asked, different sources should be found, as well as the application of different methods. When different methods are combined in research it could enable the researcher, to some extent, to overcome the shortages that originate from one method (Babbie & Mouton, 2001).

In summary, the differences between qualitative and quantitative approaches could be reduced to differences in structuring, control and scope. Qualitative approaches are relatively more open and broader in the way in which they tackle problems whereas with a quantitative approach the emphasis is on the quantification of constructs.

In conclusion, it should be emphasised that the qualitative interviews and quantitative surveys each offered a distinct set of strengths and limitations to this research. By taking careful consideration in selecting an appropriate research design, the potential incompatibilities in the analysis of these two research methods were addressed.

The following chapter records the results of the research.

CHAPTER FOUR – RESULTS

A research method is a strategy of inquiry which moves from the underlying philosophical assumptions to research design and data collection. The choice of research method influences the way in which the researcher collects data. The results of the research study as well as the statistical techniques that were utilised to obtain these results are reported in this Chapter.

Qualitative research attempts to study human action from the particular way that the social player regards something (Babbie & Mouton, 2001). The primary goal of studies using this approach is not to explain human behaviour but could be defined as describing and understanding human behaviour (Babbie & Mouton, 2001). Qualitative in-depth interviewing tends to be more conversational than formal, rigidly structured interviews. The researcher introduces general topics, and allows the participant to structure his or her own responses.

Quantitative research involves objective inquiry based on measurable variables and provable propositions. For the purpose of this study the quantitative way of dealing with the phenomena may be described in general terms as formalised, as well as openly controlled, with a range that is defined, and which, in terms of the methods used, could be relatively closer to the physical sciences. According to Burrell & Morgan (1979) the occurrences and facts are self-explanatory; they exist and should divulge themselves and the researcher should record it. Quantitative researchers are inclined to study a phenomenon as outsiders, assuming that if they become part of the events being investigated, they would become too involved in the object and therefore analyse the situation that is observed from a too self-centered perspective.

The first section of this chapter deals with the qualitative data. The second section deals with the quantitative data.

4.1 Qualitative Results

This section contains the results of the qualitative interviews explained in the previous chapter. As planned, interviews were conducted with eight employees. In the presentation of the results many quotations from the interviews are used so that, firstly, the study remains true to the lived experience and views expressed by the research participants and secondly, the readers' understanding of the interviewees' perceptions and experiences is enhanced and a better perspective is gained. It was felt that the discussion of the results (Chapter 5) would be facilitated by such understanding and perceptions.

The analyses of the qualitative data lead to the identification of a number of themes. These are discussed below.

Participants' appreciation for a study of the impact of change.

This theme represents the attitudes toward and value participants attached to the study of the impact of change in the workplace.

All the interviewees reported that the study of the impact of change in the workplace could benefit the functioning of the organisation and the well-being of the worker. The respondents explained that this is due to the fact that the study will contribute information which senior management can apply during a change process. This information refers to difficulties encountered, lessons learnt and best practices that senior management could apply in times of change in order to assist staff in the transition period. The participants reported that, by applying the knowledge gained, the actual change process would be better understood by those involved.

According to the respondents, change in the organisation contributes to higher stress levels. The respondents reported that they are experiencing a lack of empathy from senior management. The respondents feel that if management ignores the concerns of the employees the company may be at risk of losing their key staff. This is illustrated by the

following comment: "... senior management leaves the employees to face the music... this has a demoralising effect on employees..." The majority of the respondents reported that the study of the impact of change would create a sense of caring and sense of well-being amongst the staff. The respondents reported that the emotional well-being of the staff determines overall performance, client service and turnover of the company.

Perceived issues around the M&A process and the effect of change

This theme represents the issues that the participants associated with the M&A process in the workplace & the difficulties encountered due to the M&A process. Furthermore it focuses on the attitudes and the effect of change on the respondents' work, work colleagues and family life.

According to the majority of the interviewees the following "issues" related to the M&A process impacted on their work involvement:
- (a) Information sharing
- (b) Uncertainty
- (c) Organisational politics
- (d) Work life
- (e) Family life
- (f) Work attitudes

The majority of the interviewees reported the lack of information shared by senior management as a major issue. All the interviewees experienced a feeling of uncertainty and reported that they were uncertain about their future in the New Group. This was illustrated by the following comment: "... no one is certain as to what is going to happen... there are already speculations that restructuring will take place again..." The respondents reported that the day-to-day run of business is very uncertain.

One of the interviewees reported organisational politics as a further issue that impacted on employees. Politics has long been a force in organisations. Political behaviour refers

to behaviour outside the normal power system, designed to benefit an individual or a subunit. While it certainly is a reality in organisational life, politics can often drive away valuable employees. Politics can also influence who gets what in the organisation. Politics could also negatively impact productivity (Gibson et al., 2000). The respondent argued that by focusing on politics between the employees of the separate entities, the company is losing sight of clients needs.

The majority of the interviewees reported that culture is a big issue. Organisational culture constitutes employees' perceptions and how these perceptions create a pattern of beliefs, values, and expectations. A culture is the distinct blueprint of common beliefs, values, and standards that direct the induction processes, language, symbols, means, and formal procedures for employees. In the same way that organisational design is different for different demands, different organisational cultures may also be more suitable in different conditions, where one needs to note that no one culture is appropriate for a situation. Employees who work in an organisation with a culture that matches their view of a perfect culture tend to be committed to the organisation and optimistic about the future thus it is evident that employees may prefer one culture to another (Jackson & Schuler, 2000; Gibson et al., 2000).

The respondent reported that employees from four different cultures need to work together in the New Group and this resulted in undue difficulties. To illustrate, comments include: "... different cultures coming together makes it very difficult... prior to the merger we were all enemies, now we need to work together towards a common goal...." As a result of the above mentioned issues the respondents reported that employees needed to deal with a lack of cohesion and a definite breakdown in the flow of business. The respondent comments: "... a deal that used to take one week, now takes a month... personal standards are being dropped... one cannot beat the system..."

From the interviews it appears that the change affected all the respondents' work life. A large part of adult life is devoted to and consumed by work. The majority of the respondents reported that they found the whole integration process very stressful. The

majority of the respondents reported that to adapt to a new work environment was very difficult. The respondents reported that they are frustrated, because of the lack of feedback and no support in the new environment. According to the respondents the actual relocation to new premises added to this feeling of frustration. Furthermore the respondents reported that the company had to change to a new business system. One of the respondents reported that for six months the relocation to new premises was the major conversation topic. The majority of the respondents reported that the change resulted in an increase in their workload and this added tremendous stress. According to the majority of the respondents, work was challenging, intense and characterised by "people issues".

According to the participants the new working environment is not conducive to gaining and sharing of knowledge. The interviewees explained that they were used to a working environment that could be characterised as a learning organisation. Being used to an interactive environment, makes it difficult to accept new working conditions.

All the respondents reported that at the time of the integration, the change impacted on a further issue, family life. All the participants reported the effect of the change on the quality of their family life. According to the respondents the greatest uncertainty especially within the family, was whether or not they will have a job in the New Group. The increased workload and added stress also impacted on their sleep patterns. The following comment illustrates: "... I am so tired, physically I feel like a wreck..."

All the respondents reported that the change definitely impacted on their work attitudes. The following comment illustrates this: "... no one has the same drive..." A lot of resentment was experienced causing difficulty to identify with the New Group and this resulted in a low morale. All the respondents reported that employees were experiencing higher levels of stress. The majority of the respondents reported that they became much harder, more resilient, frustrated and uncertain. According to the respondents they had to change their mindsets in order to cope with these feelings and the above-mentioned effects of change.

One of the respondents however reported a more positive view. He argued that a positive attitude was required and that one needs to adopt a catalyst role amidst the high levels of tension experienced by most employees.

Announcement of the Change

The respondents reported that they were informed about the change through rumours, co-workers and email.

It was also reported that the overall message and feeling portrayed in the company could be labeled as a feeling of denial since the employees were convinced that the change process would not affect them. According to the respondents there was no clarity about the impact of the change. The following comments illustrate this: " ... no-one committed himself or herself... the feeling that no-one knew existed..." The respondents reported that road shows took place, but according to some of the respondents, questions were not answered clearly. One of the respondents reported that the whole process was well advanced before it was announced. The majority of the respondents felt that senior management was as open and honest as they could be. According to the participants the information given was sufficient due to the fact that they believe the information given was what senior management knew. The respondents' do however feel that the manner in which management communicated the change was not well thought through.

The respondents reported that the communication via email did not shed much light on the process and the way forward was characterised by a lot of uncertainties. To illustrate: "... especially the office service staff who were most affected, the lower level staff did not receive sufficient information. For example many of them do not have access to email..."

One of the respondents reported feeling betrayed. This was due to the fact that some of the participants were not part of the decision making process and only heard of the merger at the time of the announcement.

The majority of the respondents felt that they needed a human touch when the announcement was made. One respondent proposed that communication should be based on high and low levels to ensure that the understanding thereof should have been perceived. One of the respondents felt that a formal meeting should have been held when discussions and negotiations were still possible.

Treatment & commitment

This theme represents the manner in which the employees were accommodated by their new employer and their commitment to the New Group.

The majority of the respondents reported that the new employer did not accommodate them. This is illustrated by the following comment: "... clearly it was every man for himself...I did not even receive an induction or introduction..."

However, one interviewee reported that the New Group is really trying. Workshops have been held to assist the staff in understanding where the company is going. The respondents reported that the new employer did not live up to their expectations, but according to the respondents they have realised that in a Merger & Acquisition one may become a mere number. One of the respondents expected more respect and information from the New Group.

The majority of the respondents reported that they considered leaving the company during the M&A process. According to the interviewees this was due to the fact that they felt tired, uncertain and exhausted. This is illustrated by the following quotations: "... I had a whole new business plan worked out..." "... Hell, yes! I think of leaving everyday..." The majority of the respondents reported that they remain part of the New Group due to financial reasons. Some of the respondents reported that in two years time the New Group will be great and on track. The respondents do have faith in the New Group and see a lot of career opportunities. One of the respondents reported that the only

reason to stay with the New Group is the mere fact that it is an easy job for the last three years before his retirement.

The New Group

This theme represents the feelings and needs of the participants towards the New Group.

It appears from the interviewees that the feelings towards the New Group are as follows:

Some of the respondents reported feeling resentful of the size of the New Group. The respondents cannot personally subscribe to the above and are experiencing a sense of loss. They feel powerless because of the new cumbersome system. All the respondents reported that it is difficult to adapt to the new system.

This is illustrated by the following comment: "... I use to take pride in my work and now I find it difficult ... the quality of work is not at the same level..."

Some of the respondents reported feelings of distrust and no loyalty. According to the participants only money matters in the New Group and the New Group does not care about the staff. The majority of the respondents believe that employees make or break an organisation. The majority of the respondents reported that the change was implemented without in-depth understanding and this resulted in a crisis management situation.

The majority of the respondents reported that they needed some positive sharing, open honest communication and commitment from senior management. They needed reassurance from management as to where the company is going in order to decrease uncertainties of what the future in the New Group holds. Due to the fact that the respondents were feeling isolated they proposed a team building exercise. The majority of the respondents felt that the four different cultures should get together and get their feelings towards each other out in the open. The majority of the respondents felt that the

need to build relationships with new co-workers is an absolute must in order for the company and themselves to succeed.

In a perfect world

This theme represents what the respondents would have liked to be different regarding the whole change process (M&A).

The majority of the respondents felt that they definitely needed more personal communication and communication about the real implications of the change, and not communication via email, i.e. at least a once a week discussion. The majority of the respondents felt that more pre-work could have been done on the people side of the M&A process. According to the interviewees there was no clarity about the impact of change on the employees. The respondents were aware that it is important to look at the business side but they felt that one needs to create a balance between business and people issues. This is illustrated by the following comments: " ... at the moment the workforce is demotivated... this is not a feeling it is a fact...". "... The day to day run of things needed to be plotted out..."

Some of the respondents felt that the way management went about allocating positions in the New Group could have been different. The respondents felt that senior management needed to know who does what in the company and where they fit in. A typical comment in this respect is: "... top management did what was the least disruption to them and not what was best for the New Group..."

All the respondents reported their proposals in respect of a M&A process were possible to implement. According to the participants, people are a businesses greatest asset and a company has to have a happy workforce to deliver good business.

The next section deals with the quantitative results.

4.2 Quantitative Results

Statistics is the mathematics of organising and interpreting numerical data (Trochim, 1998). Through statistical analysis the researcher is enabled to explain the situation, the relationship that is present and formulate predictions and comparisons (Trochim, 1998). Statistics turn raw data into a meaningful set of results, and of the various statistical tools that can be utilised, descriptive statistics, correlations and ANOVA were chosen for this study.

The statistical procedures that were followed during the course of this Chapter include:

- Descriptive statistics (means and standard deviations) were obtained for all three scales in order to obtain an overview of the sample's perceptions of interpersonal justice and job satisfaction.

- Assessing the reliability of the measuring instruments by means of the Cronbach Alpha Coefficient;

- Utilising analysis of variance (ANOVA) to ascertain whether any significant statistical differences exist between the perceptions of interpersonal justice (as it manifests in informational justice and social sensitivity) and job satisfaction at different job grades.

- The Bonferroni Multiple Comparison Test was conducted to ascertain where the differences lie.

- In determining if a relationship exists between perceived interpersonal justice and job satisfaction, the Pearson Product Moment Correlation Coefficient was utilised.

4.2.1 Descriptive Statistics

The description of the basic features of data in research is obtained by descriptive statistics. Descriptive statistics enable the quantitative descriptions to be presented in

manageable form (Babbie & Mouton, 2001). Descriptive statistics give uncomplicated extractions regarding the sample and the measures. In conjunction with basic graphics analysis, descriptive statistics form the basis of the majority of quantitative analysis of data. Descriptive statistics describe the frequency distributions or relationships between variables and the central tendency of the variables. Measures of central tendency are estimates of the centremost score in a distribution (Trochim, 1998).

There are three different measures of central tendency - the mode, median and mean - each of which is best suited to specific types of data. Histograms or pie charts frequently illustrate the mode. The median is the middlemost score in a data set that has been ranked from the lowest to highest. The median does not take the values of the scores into account, only the value of the middle scores (Terre Blanche & Durrheim, 1999). For this reason as well as the fact that there were not many outliers, it was decided not to include the measurement of the median. The mean is the arithmetic average of all the values in the data set (Terre Blanche & Durrheim, 1999). It is however affected by outliers, but the data did not show a vast number of outliers, indicating that the mean could successfully be used to analyse the data with the use of frequency tables.

Descriptive statistics (means and standard deviations) were obtained for all three scales in order to obtain an overview of the sample's perceptions of Social Sensitivity treatment, Informational Justice and Job Satisfaction. (See Table 8 – Table 10).

Table 8 Perceptions of Social Sensitivity (Chris Nunns, 1994)

	Job grade	N	Mean	Standard deviation
Social	NG1	25	13.16	2.095
Sensitivity total	NG2	63	12.41	1.872
	NG3	38	13.32	2.231
	NG4	25	13.92	2.999

Table 8 indicates the perceptions of the employees' Social Sensitivity Treatment at job grades NG1 – NG4. Table 8 indicates that the employees in job grades NG3 (with a mean of 13.32) and NG4 (with a mean of 13.92) perceived higher social sensitivity treatment than the employees in job grades NG1 (with a mean of 13.16) and NG2 (with a mean of 12.41) during the time of change. The findings are graphically portrayed in Figure 2.
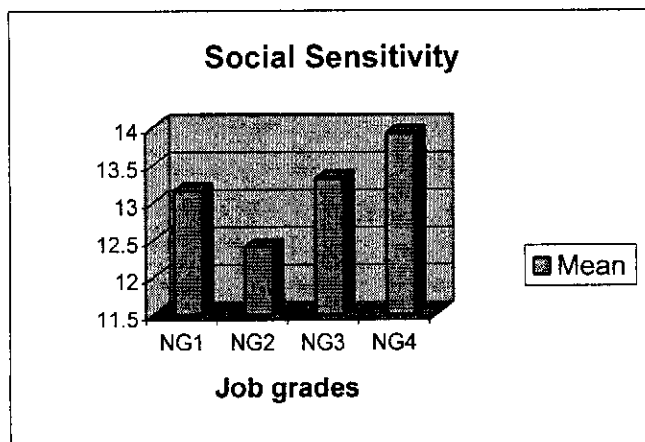

Figure 2   Perceptions of Social Sensitivity Treatment

Table 9 Perceptions of Informational Justice (Communication Satisfaction Questionnaire, Downs & Hazen, 1977)

	Job grade	N	Mean	Standard deviation
Informational	NG1	25	110.60	39.163
Justice total	NG2	63	132.29	33.321
	NG3	38	143.47	32.646
	NG4	25	158.28	45.396

Table 9 indicates the perceptions of the employees' Informational Justice at job grades NG1 – NG4. Table 9 shows that the employees in job grades NG3 (with a mean of 143.47) and NG4 (with a mean of 158.28) perceived higher Informational Justice than the employees in job grades NG1 (with a mean of 110.60) and NG2 (with a mean of 132.29) during the time of change. The findings are graphically portrayed in Figure 3.
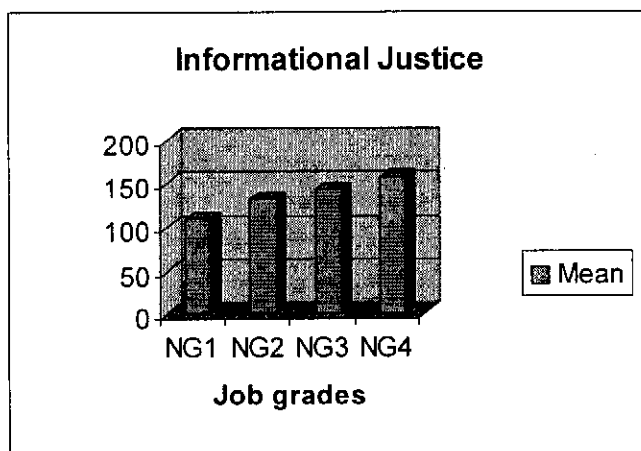

Figure 3   Perceptions of Informational Justice

Table 10 Perceptions of Job Satisfaction (Overall Job Satisfaction Questionnaire, Warr, Cook & Wall, 1979)

	Job Grade	N	Mean	Standard Deviation
Job Satisfaction	NG1	25	58.04	17.950
Total	NG2	63	68.10	18.680
	NG3	38	73.50	17.666
	NG4	25	78.40	20.581

Table 10 indicates the perceptions of the employees' Job Satisfaction at job grades NG1 – NG4. Table 3 indicates that the employees in job grades NG3 (with a mean of 73.50) and NG4 (with a mean of 78.40) perceived more Job Satisfaction than the employees in job grades NG1 (with a mean of 58.04) and NG2 (with a mean of 68.10) during the time of change. The findings are graphically portrayed in Figure 4.
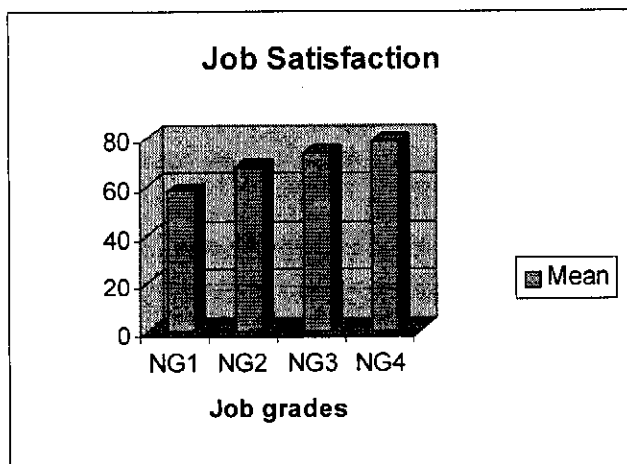

Figure 4   Perceptions of Job Satisfaction

4.2.2 Reliability of the measuring instruments: Cronbach Alpha Coefficient

Reliability refers to the quality of the measurement method. It suggests that the same data would have been collected each time in repeated observations of the same phenomena (Babbie & Mouton, 2001). According to Anastasi & Urbina (1997) the term reliability in fact represents consistency. "Test reliability is the consistency of scores obtained by the same persons when retested with the identical test or with an equivalent form of the test" (Anastasi & Urbina ,1997, p. 8).

The Cronbach Alpha Correlation Coefficient was utilised to calculate the reliability of the measuring instruments. The Correlation Coefficient reflects the degree of internal consistency of a test and indicates the extent to which all the items in the test measure the same attribute. Cronbach's Alpha was used to assess whether the measures were reliable. The higher the level of reliability, the closer the Cronbach's Alpha would be to 1 (StatSoft, 1999).

A test's reliability (true score) and its "unreliability" (error score) are regarded as two proportions that add up to unity (1.00). The value of the Cronbach Alpha Correlation Coefficient can therefore vary between 0 and 1. The closer the value is to 1, the more consistent the measurement and thus the more reliable the test; the closer the value is to 0, the less reliable the test.

Table 11 gives a summary of the Cronbach Alpha values. Cronbach's Alpha was calculated for the Social Sensitivity, Interpersonal Justice, Informational Justice and Job Satisfaction scales.

Table 11 Cronbach's Alpha

Social Sensitivity	0.5987
Interpersonal Justice	0.9148
Informational Justice	0.9557
Job Satisfaction	0.9403

An analysis of these values indicates that the Cronbach Alpha values for the Interpersonal Justice Scale (Beugre & Baron, 2001) and the Informational Justice Scale (CSQ, Downs & Hazen, 1977), are high, varying between 0.9148-0.9557.

The items within each of the dimensions of the Interpersonal Justice scale were therefore homogenous, i.e. testing the specific dimension that it was supposed to test. The Cronbach Alpha value for the Communication Satisfaction Questionnaire is 0.9557, which is also extremely high. It can therefore be concluded that the Communication Satisfaction Questionnaire is reliable and measures a single variable, namely Informational Justice.

The score for the Social Sensitivity Scale (Nunns, 1994) is reasonably low and is reported as 0.5987. This particular result will be discussed in Chapter 6 (Recommendations and Limitations).

The Cronbach Alpha value for the overall Job Satisfaction Scale (Warr, Cook & Wall, 1979) is 0.9403 and considered high. It can therefore be concluded that the Job Satisfaction Questionnaire is reliable and measures a single variable, namely Job Satisfaction.

4.2.3 Analysis of variance (ANOVA)

The purpose of the ANOVA (analysis of variance) is to compare the means of two or more groups in order to determine whether the observed difference between the groups represents a chance occurrence or a systematic effect. The central assumption underlying ANOVA is that, apart from variation between groups, one should also take into account differences within groups (Pretorius, 1995).

An ANOVA test was conducted in order to ascertain whether statistically significant differences existed between the perceptions of Interpersonal Justice (as it manifests in Informational Justice and Social Sensitivity) at different job grades. An ANOVA test was also conducted to ascertain whether a statistically significant difference exists between the levels of Job Satisfaction at different job grades. (See Table 12)

As indicated in Table 12 it was found that a statistically significant difference exists between the averages of Social Sensitivity, Informational Justice and Job Satisfaction at different job grades.

Table 12 Results of ANOVA

		Sum of Squares	Df	F	Sig
Social Sensitivity total	Between groups	47.293	3	3.207	.025*
	Within groups	722.680	147		
	Total	769.974	150		
Interpersonal Justice total	Between groups	173.715	3	1.094	.354
	Within groups	7778.920	147		
	Total	7952.636	150		

Informational	Between groups	31525.437	3	7.940	.000**
Justice total	Within groups	194541.37	147		
	Total	226066.81	150		
Job	Between groups	5995.860	3	5.752	.001**
Satisfaction	Within groups	51079.889	147		
total	Total	57075.748	150		

4.2.4 Bonferroni Multiple Comparison Test

The Bonferroni Multiple Comparison Test was used as a post hoc test to establish where the differences lay.

Statistically significant differences in Social Sensitivity were found between job grades, NG2 and NG4 (p=0.028). Statistically significant differences in Informational Justice were found between job grades NG1 and NG3 (p=0.004), NG1 and NG4 (p=0.000) and NG2 and NG4 (p=0.018). Statistically significant differences in the levels of Job Satisfaction were found at job grades NG1 and NG3 (p=0.009), NG1 and NG4 (p=0.001).

4.2.5 Correlation

Whilst dealing with the relationship between two variables, one is concerned with correlation, and the measure of the degree of strength of this relationship is represented by a correlation coefficient (Terre Blanche & Durrheim, 1999). As the score of the one variable decreases, the corresponding score of the other variable decreases or increases, and this implies that the relationship could either be positively or negatively correlated (Terre Blanche & Durrheim, 1999). In the majority of social science applications, it is not anticipated to a find particularly strong relationships between naturally occurring variables, and correlations of between r = 0.2 and r = 0.75 are fairly normal (Terre Blanche & Durrheim, 1999).

The purpose of correlation is to provide an objective measure of the direction and strength of the relationship between two variables. Various correlation coefficients can be used to calculate the correlation, which is a statistical summary of the relation between two variables. Pearson's Product Moment Correlation Coefficient (r) was used to determine if a relationship existed between perceived Interpersonal Justice perceptions and Job Satisfaction. (See table 13)

The correlation coefficient for the relationship between interpersonal justice and job satisfaction revealed a significantly strong negative correlation (r = -.570 , p = 0.000).

Table 13 Pearson Correlation Coefficients

	Social Sensitivity	Interpersonal Justice	Informational Justice	Job Satisfaction
Social Sensitivity				
Interpersonal Justice	-.256**			
Informational Justice	.440*	-.589**		
Job Satisfaction	.353**	-.570**	.868**	
**=p < 0.01		(r = -, 570 p=0.000)		

4.3 Conclusion

From the qualitative results it is clear that as a result of the change (M&A) process many of the employees were experiencing a mixture of feelings that related to the social side of justice in organisations undergoing change. Qualitative research is mostly suitable to the

study of behaviours and attitudes that could be best understood within their normal surroundings (Babbie & Mouton, 2001).

The quantitative results have indicated that a difference between the perceptions of Interpersonal Justice (as it manifests in Informational Justice and Social Sensitivity) at different job grades exists. Further to this, the study has found a strong relationship between Interpersonal Justice and Job Satisfaction. It is the belief of the quantitative researcher that the optimal manner of measuring the properties of a phenomenon (for example, the attitudes of individuals regarding certain issues) is through quantitative measurement (Babbie & Mouton, 2001).

The next chapter contains a detailed discussion of the results of the study.

CHAPTER FIVE – DISCUSSION

Throughout this study the emphasis fell on the effect of organisational change (M&A) on employees subjected to it. More specifically the study endeavoured to explore the informational justice phenomenon.

Organisational change is, inter alia, related to a heightened sensitivity about fairness (Folger & Skarlicki, 1999). Change in an organisation can generate uncertainty and resistance in employees, making it difficult or impossible to implement organisational changes (Folger & Skarlicki, 1999). When organisations change, reaction to unfairness appears to be particularly heightened (Folger & Skarlicki, 1999), and industrial leaders need to take cognisance of the emotional effect of not only change, but also their own role during the change process, and its impact on employees.

The task of managers in the delivery of organisational justice is likely to be even more important to subordinates in times of change than in times of relative organisational stability. As policies and procedures themselves change, employees at all levels in the organisation become more reliant on management to solve problems and assign resources justly. Managers serve as the primary communication channel for employees to express and convey feelings to others higher up in the organisation (Cobb et al., 1995). The behaviour and conduct of managers and superiors within the organisations in carrying out decisions, through communicating and interaction with employees on an interpersonal level, must be perceived as fair and just. If not, it will result in perceptions of unfair treatment and thus perceived interpersonal justice will not be achieved (Williams et al., 2002).

It is contemplated that a great deal of information and social sensitivity treatment might make unfavourable outcomes seem less unfavourable. This may occur because feelings of anger are lessened by learning and understanding that there is a suitable basis for the

unfavourable outcome, an idea resulting from relevant cognition theory (Greenberg, 1994).

According to the Folger's referent cognition theory, employee's feelings of anger are elicited by the receiving of unfavourable outcomes whenever the employees are convinced that they would have received more favourable outcomes had management executed the procedure that they should have employed. This viewpoint implies that, well-communicated results that offer understandable reasons for the perceived unfavorable outcomes could assist in the approval thereof. Interpersonal justice variables enhance the acceptance of unfavourable outcomes, reducing perceptions of unfairness and feelings of anger; this notion has been recognised by several laboratory tests of referent cognition theory (e.g. Cropanzano & Folger, 1989; Folger & Martin, 1986) (cited in Greenberg, 1994, p. 290).

This chapter contains a detailed discussion of the qualitative and quantitative results of the study. It begins by summarising and interpreting the results and placing them in context. The generalisability of the results is then assessed.

The specific hypotheses that were set are as follows:

Hypothesis 1: A statistically significant difference between the perceptions of interpersonal justice (as it manifests in informational justice) at different job grades exists.

The findings of the current study indicate a statistically significant difference in the perceptions of interpersonal justice (as it manifests in informational justice) at different job grades. (See table 9) The perceptions of informational justice of employees at the lower job levels (job grade NG1 & NG2) were lower than the employees at the higher job levels (job grade NG3 & NG4). This could be due to the fact that this organisation, the New Group, is characterised by a top down communication channel in which employees at the lower levels (NG1 & NG2) have to rely on information that filters down from

management. The filtering down of information could impact on the quality of the message that is being received by the different levels in the organisation. It has been reported that the lower level employees (NG1 & NG2) are not experiencing adequate communication regarding the merger (change). Top down communication can be frustrating, during organisational change since employees at all levels need to be alert of what the organisational change involves and how this will affect them. The lack of adequate information does not contribute to the understanding of the merger process and the difficulties being experienced as a result thereof.

The results revealed that the communication during the merger was not managed as effectively as possible. The most problematic issue in this regard was undue delays in discussing future roles, career and employment prospects and the goals and the vision of the new entity. As soon as the M&A change intervention has been communicated, change is expected by all stakeholders. Without delay the main issue to be conveyed is clear guidelines and the implementation of the way forward. If not, it could result in a decrease of self-worth and increase of insecurities amongst employees (Horwitz et al., 2002). Clear, constant and adequate information to all stakeholders needs to be present during the M&A change intervention in order to prevent the development of unwanted attitudes. Two-way communication allowing employees to raise their uncertainties and to challenge decisions needs to be present (Horwitz et al., 2002). Previous research confirmed the necessity for clear, constant and adequate information between decision-makers and employees during times of organisational change (Horwitz et al., 2002).

During all the stages of a merger process it is a common fact that employees would have major concerns that may lead to doubts, affecting all involved negatively. Employees have the need to be aware of the changes, the reasons therefore and the impact they may have (Marks & Mirvis, 1998). Clear, constant and adequate information, provided by decision-makers to all employees, minimises confusion and questions, resulting in fewer disruptions in daily work activities (Marks & Mirvis, 1998).

During periods of organisational change, if matters are explained to employees and the underlying reasons and justification of decisions made are given, employees are expected to support and accept the proposed change. The information provided enables employees to contextualise changes occurring around them (Marks & Mirvis, 1998).

Based on the research results as explained, statistically significant differences were found between job grades NG1 and NG3, NG1 and NG4 as well as NG2 and NG4 and therefore, hypothesis 1 is supported.

Hypothesis 2: A statistically significant difference between the perceptions of interpersonal justice (as it manifests in social sensitivity) at different job grades exists.

Referent cognition theory (RCT) has to do with the ethical responsibility that organisations and their decision-makers have toward employees. It is argued that in the workplace the decision-makers (known as management) ethical responsibility towards the employees goes beyond fair actions regarding remuneration, and the implementation of policies and procedures that decide the degree of reward and recognition. Furthermore, the decision-makers' actions should contain the ethical responsibility of dealing with employees in a dignified manner. Since the employees view and perceive the decision-makers actions they decide whether they feel as if they are treated with dignity and respect or not (Cobb et al., 1995).

The results of this study indicate a statistically significant difference in the perceptions of interpersonal justice (as it manifests in social sensitivity treatment) at the different job grades. (See table 8) The perceptions of social sensitivity treatment by employees at the lower job levels (job grade NG1 & NG2) were lower than the employees at the higher job grades (NG3 & NG4). The data showed that the higher-level employees had the means to communicate with top management; e.g. questions could be raised. It was reported that the higher-level employees had the opportunity to voice their concerns and issues to top management in a personal manner. As mentioned, the lower-level employees were exposed to one-way communication – top-down. This caused them to perceive

themselves as only a number in the eyes of the management, experiencing a feeling of treatment with no dignity and respect.

One can argue that an organisation that rewards performance promotes fair treatment, seeing that recognition and reward by management to all employees could lead to employees experiencing social sensitivity treatment from their superiors (Veeren & Katz, 2002; Tyler & Bies, 1990).

When management are perceived as fair, subordinates would be likely to follow the example set by managers in their interaction with one another. Employees often perceive managers as representing the organisation, thus the way that management deals with employees is an indicator to the employee of his/her value to the organisation. Unfavourable outcomes could be minimised if fair treatment is experienced throughout the organisation. Adding to the above, it is recommended that unacceptable behavior towards employees could include either procedural injustice (i.e. lack of opportunities to challenge procedures) or interpersonal injustice (i.e. why information on certain decisions is withheld, or is not communicated with consideration for employee's dignity) (Cobb et al., 1995).

The underlying reason and rationale for the change (merger) process and the ideal outcome to be achieved through the change process is represented and made real by management's behaviours and actions during the change process (Marks & Mirvis, 1998).

The research results as explained supported hypothesis 2 since statistically significant differences were found between job grades NG2 and NG4.

Hypotheses3: A statistically significant difference between the levels of job satisfaction at different job grades exists.

Further to this the results of this study indicate a statistically significant difference in job satisfaction at different job grades. (See table 10) An increase in job satisfaction by employees in higher-level positions (NG3 & NG4) is experienced in the New Group. Previous research has shown that satisfaction with the information provided by management can enhance job satisfaction (Veeren & Katz, 2002).

The present study complements the results obtained by Greenberg (1994) who found that employees receiving high amounts of information regarding the change (merger) reported higher levels of job satisfaction than those who received low amounts of information. The employees who experienced high social sensitivity treatment perceived the change (merger) as less negative (Greenberg, 1994).

Schweiger and DeNisi (cited in Folger & Skarlicki, 1999, p.43) investigated the use of a realistic merger preview on employees' reaction to organisational change. A realistic merger preview implies that an explanation of both the positive and negative outcomes of a merger is communicated to the employees. The investigation showed that when employees were given all relevant information in a sincere manner it reduced employees' uncertainty about the change, and they were more able to cope with the changes. It also revealed that it may not always be possible to communicate realistic information about the change to the employees because management does not know exactly what will transpire, therefore management, at times, choose not to communicate to employees at all (Folger & Skarlicki, 1999).

Managers must reassure employees that information will not be deliberately withheld from them by explaining to the employees why some questions cannot be answered (Folger & Skarlicki, 1999). It is proposed that even employees who are unhappy about an

outcome, would, if they understood the process, have less dissatisfaction than when no explanation or information was given (Cobb et al., 1995).

Previous research has shown that a strong correlation between interpersonal justice perceptions and job satisfaction proposes that when the organisation provides adequate information through proper communication channels, it will indicate to the employees that the organisation cares for the employees' well-being. It has been found that appropriate communication channels in organisations are related to job satisfaction of employees (Veeran & Katz, 2002).

Hypothesis 3 is, based on the research results as explained, supported. Statistically significant differences were found between job grades NG1 and NG3 as well as NG1 and NG4.

Hypothesis 4: A statistically significant relationship between perceived interpersonal justice and job satisfaction exists.

The results of this study indicate that a statistically significant relationship between interpersonal justice perceptions and job satisfaction exists. The results support the job satisfaction literature since previous research has shown that there is a strong relationship between job satisfaction and interpersonal justice perceptions. According to Veeren & Katz (2002) if there is a perception of fair interpersonal treatment by their organisation, employees may experience positive outcomes such as higher job satisfaction.

According to Dailey & Geyer (cited in Veeren & Katz, 2002, p.18) the strong correlation found between interpersonal justice and job satisfaction supports the theoretical argument of earlier research. (See Table 13) Increased satisfaction with the information given to employees regarding the changes in their organisation can influence the extent to which employees are open to change and their ability to deal with change and therefore enhance the experience of justice in the organisation.

A statistically significant relationship existed between perceived interpersonal justice and job satisfaction and therefore hypothesis 4 is supported by the research results as explained.

In formulating the referent cognition theory (RCT), Folger (cited in Folger & Skarlicki, 1999, p. 31) affirmed that employees refer to cognitive standards for evaluating certain levels of conduct. Employees base their evaluation on previous experiences relating to events, managers and circumstances (Folger & Skarlicki, 1999; Cropanzano & Folger, 1989; Chan, 2000). The cognitive standards of an employee are the decisive factors of the level of dissatisfaction with the conduct experienced. When the conduct experienced does not meet the cognitive standard, the employee can experience the lack of something considered essential. Cognitive standards assist in the understanding of why employees may view organisational change as negative. In relation to their previous working conditions, according to the referent cognition theory, during organisatonal change employees are expected to work in different ways with an increase in workload for the same reward and at times it could be less. Previous working conditions offer a prominent cognitive standard by which employees judge the fairness of conduct during organisational change (Folger & Skarlicki, 1999).

When changes are implemented and employees need to alter their behaviour, the way things used to be acts as a standard against which to evaluate the new way of conduct and conditions. New ways of conduct and new conditions are sometimes not understood by those involved and therefore could lead to resistance and insecurities. Certainty and clarity are feelings that employees associate with past events and they associate uncertainty with the change. To illustrate, change could involve technological improvement, where employees may be afraid of a lack of skill (although upskilling and training can be obtained) and therefore may fear job losses. In addition change could require employees to work together in teams and employees could refuse to accept the new team. It could be argued that employees prefer security and continuity (Folger & Skarlicki, 1999; Cobb et al., 1995; Folger & Cropanzano, 1998; Rahim, 2000). The

predictions for RCT have been confirmed in over 40 studies from both laboratory and field research (Cobb et al., 1995).

Employees are dependent on information during organisational change since they use communication to assess whether their expectations will be met. When employees experience the end result as differing from their expectation they could feel that the organisation has failed to fulfil the agreement as stated in the communication. These examples illustrate that employees could view change as a loss because what they experience in times of change and what their cognitive anchors represent are different. RCT offers researchers and managers a framework for understanding the nature of perceived and expected losses and hence some possibilities for reducing resistance to change (Folger & Skarlicki, 1999).

The New Group was formed when four different entities merged. The merger involved combinations of organisational entities with contrasting culture types. In comparing the cultural characteristics of the different entities, e.g. the degree of employee participation, goal clarity, management style and locus of authority, a considerable variation between entities occurred. Specific changes to cultural dimensions resulted in a conflict in managerial styles, with the dominant culture having a more autocratic style. Dramatic changes in roles, responsibility, job design, authority and accountability occurred. The level of formal/informal relations also changed depending on the culture of the dominant organisation. All of the above issues affected employee work autonomy, with many feeling marginalised with little support other than that of their previous co-workers. Control and information systems that were designed for the old regime may not be relevant to or effective in the new organisation. New work teams have not yet been formed or settled into a modus operandi.

Cultural change is inevitable when organisations merge. This entails a definite end to the old way of doing and referring to procedures and processes in the entities involved. It is important for the combined entity to ensure a successful culture transition by focusing on what they have in common rather than focusing on their differences that could complicate

cultural integration. Usually in amalgamations, culture integration is not a high priority. Studies revealed that the biggest mistake made by management is the underestimation of the importance and difficulty of combining cultures during an integration effort (Marks & Mirvis, 1998).

The merger of the group involved technological changes. This refers to the new technological system that was implemented in the New Group. Most of the employees experienced difficulties with the new system. According to the employees, time constraints led to inadequate training before system implementation. This led to the employees experiencing the system as not user-friendly, leading to feelings of frustration and incompetence. Top-down communication led to lower-levels experiencing inadequate explanation for the implementation of the system. The purpose of perceiving the explanation as adequate could assist the employees in understanding the reason for implementation, thereby the employees could perceive the New Group as acting fairly - thus impacting positively on their justice perceptions. When employees receive communication that explains the reasons and facts of the change it is argued that it could lessen employees' inaccurate perceptions regarding the change and thereby offer alternative cognitive anchors to assist employees in accepting the change (Cobb et al., 1995).

In the New Group the employees had to relocate i.e. moving to a new building with new office structures. The new office structure consists of open plan working spaces, whilst most of the employees were used to enclosed working spaces. The employees are working in teams that include staff from all four entities. The employees hold different perceptions about each other. This is due to the fact that the employees view each other in terms of the entity they used to belong to, resulting in an attitude of us versus them. Trust issues impacted relationship building, team spirit and communication between co-workers - making working conditions in the New Group unbearable. Once again, this impacted the justice perceptions of the employees and affected the employees' job satisfaction.

A given occurrence during combinations is that it leads to employees viewing each other as insiders or outsiders. Employees belonging to the same previous entity see themselves as insiders by emphasising the similarities between them (Marks & Mirvis, 1998). Differences are perceived in how the previous entities were organised, for example their management style, decision making, processes and procedures. Employees base their judgement of which entity is more superior to the other on their perceptions (Marks & Mirvis, 1998).

According to the referent cognition theory, and in light of the qualitative and quantitative results, one can argue that the employees from the different entities have their own different cognitive standards against which they compare the working conditions in the New Group. These cognitive standards consist of the following: technological systems, office structure, organisational cultures, policies, procedures, co-workers and management style. The cognitive standards act as the employees' frame of reference and the employees evaluate and compare the conditions of the New Group to their individual cognitive standards. This comparison determines the employees' satisfaction or dissatisfaction. This satisfaction or dissatisfaction influences the employees' perceptions of fairness in the New Group.

A response to lessen the feeling of perceived inequity by employees is for managers to address the interpersonal justice components of change. Managers could provide employees with alternative anchors by communicating to them reasons and effects of change (Folger & Skarlicki, 1999). Managers providing accounts in the effort to lessen resistance during change, could succeed because accounts employ a particular explanation in the mind of the employee. It is in the context of the explanation that a different meaning is given both to management actions and the disappointing outcomes that resulted from their actions. Management of an organisation, for example, may develop and articulate an "organisational account" to explain layoffs and the redeployment of resources in a change program. Appropriately composed, this account could act as an explanation that focuses on the economic and competitive difficulties facing the organisation. The account could then explain the reasons why some employees

must be laid off and why some resources must be redeployed in order to regroup, confront, and deal with the challenges faced in the new competitive environment. Given this explanation, organisational losses can be understood, better accepted, and perceived as fair by employees (Cobb et al., 1995).

Organisational accounts as demonstrated above can provide an explanation to assist employees in how to perceive the organisation and the environment, and indicate what strategic responses are required in order to deal with the changes. To the extent that the explanations are consistent and accepted by all stakeholders, it could provide logic and direction to the change effort as well as enhance the fairness perceptions by employees (Cobb et al., 1995).

Bies (cited in Cobb et al., 1995 p. 145) has classified accounts into causal, ideological, referential, and penitential categories. Accounts are viewed as useful during organisational change.

Causal accounts explain the causes that construct a decision. The organisational account given above (regarding the economic and competitive conditions forcing layoffs) is a good example of a causal account. By communicating the relationship between environmental pressure and internal operational responses, causal accounts can help employees to understand and adjust to the change effort and the roles they must play in it as well as help them to perceive the changes as fair (Cobb et al., 1995; Brockner & Greenberg, 1990).

Ideological accounts contain the decision guiding principle. The decision guiding principle could either be a higher-order value or a superordinate goal. Accounts focusing on higher-order values set the standard for the change effort. In order for employees to understand their value in the organisation, how they are managed and treated, and the principles underlying the redeployment of resources could all be addressed by providing employees with an ideological account. Ideological accounts focusing on the superordinate goals of the change effort have an important role in developing a

commonly held transformational explanation of future goals in the change program (Cobb et al., 1995; Brockner & Greenberg, 1990).

Referential accounts could change an employee's perception, viewpoint or stance regarding a specific decision. In the context of the changing organisation, when negative referential accounts are provided it could explain how the organisation would have been, had it not undergone change. By providing a negative referential account, the need for change can be explained and presented persuasively. Positive referential accounts can enable employees to direct their attention to the future. By doing this it could indicate firstly, that, if employees will tolerate some difficulty now, for the benefit of the organisation, it could eventually lead to the advantage of all. Secondly, referential accounts could assist employees in focusing on what is needed to create a new organisation by providing them with a vision that can guide employees in their efforts to create the changed organisation that is required (Cobb et al., 1995; Brockner & Greenberg, 1990).

Penitential accounts refer to apologies given by management. According to the employees, management might be blamed for having done wrong. Employees normally hold the organisation accountable for the losses they experience as a result of organisational change. Research shows that when management display sorrow and provide employees with a penitential account, it lessens the condemnation and unfavourable feelings and actions employees may have towards management. In addition, penitential accounts could assist in the maintenance of productive interpersonal relationships (Cobb et al., 1995; Brockner & Greenberg, 1990).

Employees are forced to deal with various losses during change and by providing them with accounts as discussed above, it could alleviate the damage of punishment inflicted in the spirit of moral outrage or personal vengeance (Cobb et al., 1995; Brockner & Greenberg, 1990).

Employees are pre-occupied and unfocussed during a merger and as a result, productivity in the organsiation decreases. An approach by management that focuses on employees' feelings, self-esteem, morals and getting employees' support is vital in creating a successful new organisation. This could be achieved by communicating the reasons for decisions, future goals and objectives, new roles and responsibilities, and managerial expectations to all stakeholders. It would enhance trust amongst employees, between managers and employees, and managers would be viewed as trustworthy (Horwitz et al., 2002).

It may appeal to managers to rather place more emphasis on the positive aspects and understate the possible negative consequences of the change on employees. In certain stages of the change process; the outcomes visible will be perceived as less favourable then predicted by management. Management as well as other sources such as fellow employees, family and unions affect employees' referents. By listening to these sources, employees use the information in assessing managerial fairness. The existence of a climate of trust and mutual respect is of utmost importance during times of organisational change. In order for employees to support managers when managers don't live up to employees' expectations, and for employees to not judge management actions as unfair, such a climate is needed (Folger & Skarlicki, 1999).

Successful change depends on perceptions of fairness (Folger & Skarlicki, 1999). Employees' perceptions of fairness are influenced by managerial behaviour (i.e. how they treat employees) during times of change. Managers thus have the power to alter employee's fairness perceptions if they alter the way they treat employees. Managers can lessen employees' resistance to change if they understand the thought processes underlying resentment-based resistance. Folger's (cited in Folger & Skarlicki, 1999, p. 45) Referent Cognition Theory suggests that fair treatment is a valued organisational outcome together with organisational outcomes such as reward and recognition. More and more, organisations are less able to uphold and provide traditional rewards to employees (i.e. job security, promotions, long-term compensation). In light of the above, organisations must be able to communicate and show employees that they value them as

part of the organisation by displaying respect and dignity for their well-being. By achieving the above, organisations could gain a competitive advantage (Folger & Skarlicki, 1999).

To conclude, throughout organisational change, managers can enhance employees' interpersonal justice perceptions by presenting explanations to employees in a sensitive complete manner. According to Cobb (cited in Folger & Skarlicki, 1999, p. 42) a growing body of evidence illustrates that interpersonal justice perceptions contribute to employees' attitudes and behaviours required for successful change – even under conditions of adversity and loss. Employees who are given explanations and accounts feel treated with dignity and respect therefore it is valuable in organisational change (Folger & Skarlicki, 1999).

The qualitative and quantitative results revealed that communication in the merged organisation could have been managed more effectively. There was insufficient communication of performance expectations, how changes would affect people and what vision and goals the new organisation sought. Perceptions and attitudes of employees regarding the culture of the merged company also differ. There was a significant difference between organisational cultures and a need to create a unified culture, an "us" attitude.

The status quo is disturbed, for employees and for the organisation, while organisations are merged, and personal and organisational defence mechanisms are evident at this stage. The result is resistance to change by those involved. The future is highly uncertain in the New Group and all involved are seeking answers to questions relevant to employees' needs for which there is no definite i.e. How will reporting lines be implemented in the new organisation? Which entity's processes and procedures will be followed? Will remuneration be affected? Will decision-making practices change? Management of merged entities can lessen resistance by communicating the reasons for a merger and encouraging active participation by all stakeholders in order to create unity (Marks & Mirvis, 1998).

The human side of the integration is often not taken into account and in so doing neglected. This occurs when the integration takes place in a speedy and quick top-down, by the book manner. It is crucial to engage employees in the change process and obtain their psychological ownership of new methods, processes, and systems (Marks & Mirvis, 1998). Conflicting justice perceptions of employees are vital, as this may influence morale, motivation and the level of trust in the organisation (Horwitz et al., 2002). These factors that result from justice perceptions are essential for effective cultural integration and alignment of HR and other practices. Knowledge of justice perceptions does not necessarily lessen stress and anxiety, but it could facilitate stakeholders involved in the change effort to identify how they and others may act in response to the merger (Marks & Mirvis, 1998).

The next chapter discusses concluding remarks and also refers to some limitations of the study. Recommendations for further research into the role of Interpersonal Justice in a change process (M&A) are also suggested.

CHAPTER SIX - CONCLUSION

The research attempted to investigate the experience of employees' perceptions of interpersonal justice and the effect thereof on employees post merger work behaviour. The research focused on how the employees in the changed work setting perceived and coped with the challenges and demands of the situation.

Further to this, the study explored differences in the impact of the merger at different job grades; assuming that the amount of communication received regarding the changes may have been different at the different job grades. The research also attempted to examine the possibility of a relationship between interpersonal justice perceptions and job satisfaction in an organisation undergoing change.

In order to achieve the objectives four hypotheses were set namely:

Hypotheses 1:   A statistically significant difference between the perceptions of interpersonal justice (as it manifests in informational justice) at different job grades exists.

Hypotheses 2:   A statistically significant difference between the perceptions of interpersonal justice (as it manifests in social sensitivity) at different job grades exists.

Hypotheses 3:   A statistically significant difference between the levels of job satisfaction at different job grades exists.

Hypotheses 4:   A statistically significant relationship between perceived interpersonal justice and job satisfaction exists.

Qualitative & quantitative methodology was used in the research in order to gain an understanding of how the employees at different job grades perceive the interpersonal justice in their workplace during the time of the merger & acquisition process. Further to this, to assess how the employees' perceptions of interpersonal justice at different job grades affected their job satisfaction in a merger & acquisition process.

The findings of the current study indicated that the perceptions of informational justice and social sensitivity of the employees at the lower job grades were less than the employees' perceptions at the higher job grades. Further to this the findings of the study indicated that an increase in job satisfaction by employees in higher-level positions is experienced in the New Group. The results of the study indicated that a statistically significant relationship between interpersonal justice perceptions and job satisfaction exists.

The employees in the New Group, or more specifically, the employees in the lower job grades in the New Group, appear overworked, unhappy and find the working environment alienating. As found by the study this could be due to the lack of adequate communication and treatment lacking dignity and respect. Together with this, the employees are experiencing a whole spectrum of possible emotions ranging from denial and withdrawal, to the need for support and reconceptualisation. The employees had to deal with daily frustrations, workplace overload and workplace politics during the merger and acquisition process.

Drastic organisational restructuring, downsizing, mergers and acquisitions, and further organisational changes have revealed a negative impact on employees, leading to increased job insecurity, higher levels of stress and uncertainty, a decrease in job satisfaction, less trust and commitment and a greater intent to resign (Broadbent, 2002).

This research aids to develop a better understanding of what needs to change in order to create a just and equal working environment for employees. It is argued that a just and equal working environment would optimise the human capital, resulting in an effective

organisation. The research shows that during periods of radical organisational change, individuals are confronted with a multitude of new experiences and stress that impacts in varying degrees on their personal and professional lives.

By achieving the above mentioned objectives, the research aimed to add to the growing body of literature on fairness in change contexts, as well as supplementing the existing organisational justice literature by focusing on the interpersonal aspect of justice perceptions, the role of communication in organisations undergoing change and the possibility that fair interpersonal justice perceptions may be related to positive employee attitudes such as job satisfaction.

Although a number of relevant and interesting findings were found, the study was limited in a number of ways.

The limitations focus on the method, the sample and the measuring instruments used as well as the generalisability of the results. These limitations are set out below.

6.1 Limitations

Research in justice about employees' perceptions during change in organisations is difficult because of the highly sensitive nature of the topic and the need for strict confidentiality.

6.1.1 Limitations of the method

As mentioned, qualitative & quantitative methodology was used in the research. Firstly, the researcher used in-depth interviewing as a data collection method. The researcher influences and is influenced by the participants in the study and the researcher may have interpreted responses incorrectly. This is due to the fact that interviews are extremely subjective and are therefore open to bias. The interviewees may not be prepared to share

certain information on the subject with the researcher due to the confidentiality of the subject.

Secondly, the researcher distributed online surveys as a data collection method. This quantitative data collection method lacks social interaction with the chosen sample and therefore makes it difficult to explore findings. Survey research can almost never deal with the context of social life in which the sample operates. The survey researcher seldom develops the feel for the social life situation in which respondents are thinking and acting (Babbie & Mouton, 2001). It is important to note that question wording and questionnaire formats can influence the quality of the data collected.

6.1.2 Sample

The sample on which the qualitative interviews were conducted consisted of eight employees ranging from NG3-NG4. It is a fairly small sample and the results should not be generalised.

The sample to which the online surveys were distributed represented one division of the entire New Group. The availability of a sample in order to obtain a clear or true reflection also acts as a limitation to the findings of the study. In this particular organisation, due to time constraints, it was difficult to gain access to a sample representing the employees in the entire New Group. As mentioned the employees were under tremendous work pressure and taking time out to participate in a study could possibly have added further undue stress.

6.1.3 Scale or measuring instruments

Chris Nunns Interpersonal Justice Scale (1994) measured the aspect of social sensitivity treatment in terms of the interpersonal justice perceptions. Nunns scale is appropriate in measuring the extent to which employees perceive that they were treated with respect and

dignity with regard to the changes in their organisations. Nunns (1994) reported a Cronbach Alpha of 0.81 and 0.77, respectively. An internal reliability analysis of the scale for the purposes of the current study revealed a Cronbach Alpha of 0.5987. (See Chapter 4, Table 11).

Cronbach's Alpha measures how well a set of items (or variables) measures a single unidimensional latent construct. Technically speaking, Cronbach's Alpha is not a statistical test – it is a coefficient of reliability or consistency. It is an estimate of internal consistency of items in a scale. If the average inter-item correlation is low, Cronbach's Alpha will be low. If the inter-item correlations are high, then there is evidence that the items are measuring the same underlying construct. A "good" or "high" reliability refers to how well their items are measuring a single unidimensional latent construct. If scales show poor reliability, then individual items within the scale must be re-examined and modified or completely changed as needed. Variables derived from test instruments are declared to be reliable only when they provide stable and reliable responses over a repeated administration of the test. It could be argued that all the items in the measuring instrument do not measure the same attribute, namely, the social sensitivity treatment of the employees. Therefore results obtained from this measuring instrument may not be a true reflection of the social sensitivity treatment experienced in the New Group by the employees.

6.1.4 Generalisability

It is also important to think about how far and how accurately the findings of the present study can be generalised. The convenience sample used means that the results cannot be said to be accurate for the general population. Generalisability claims must be made with caution. It is possible that the results could be generalised no further than this particular division of the organisation, or no further than the organisation as a whole.

This however does not mean that the results of the study have no value. They are important in that they provide an initial indication of interpersonal justice perceptions and the effect thereof on job satisfaction for an organisation undergoing change in South Africa. The fact that they could be of use to management within this particular organisation also means that they are worthwhile.

The results were sufficiently interesting to suggest that employees interpersonal justice perceptions during times of change in the work setting is worthy of study in its own right.

Although this research has identified a number of interesting findings and possible limitations, there are recommendations that the researcher can make for future research on this topic.

6.2 Recommendations for future research

During the course of the research, a number of potential areas for future study were identified.

It is recommended that future research should address the issue of generalisability by gathering data from a broader cross-section of employees. Research as well as education and training work that addresses the interests and concerns of employees in a changing work environment appear advisable.

For future research it is suggested to develop a scale for measuring social sensitivity treatment that is context specific. The South African context is very diverse with different cultures and perceptions of what constitutes social sensitivity treatment in social interactions as well as work settings.

It is proposed that by acknowledging and addressing these limitations and recommendations, researchers and HR practitioners will be in a better position to develop

comprehensive and systematic strategies for ensuring the success of just and fair treatment in the workplace during times of change.

Management plays a major role in fostering a "culture" of equality and equity through implementing fair procedures and just outcomes. A culture must be developed that demands respect and sensitivity for all members. Therefore one can argue that communication and sensitivity awareness is essential, especially for managers and supervisors.

In conclusion, it is evident that managing change is a prevailing challenge since change is a part of organisational functioning. Employees involved in change are likely to be less negatively affected when managers learn from the experiences they encountered in previous change processes and use the learning to enhance the effective facilitation of organisational change in the present and future. A further key aspect, is the acknowledgment, by managers, of the need to be diligent in understanding and anticipating the possible effects and outcomes stemming from the organisational change processes.

A growing sense of loss and meaning was clearly evident in the study from some employees who struggled to remain effective in the workplace during the merger and acquisition.

Managers of South African organisations should ensure that they are able to create an environment in which interpersonal justice is an achievable and prominent characteristic of their organisational culture during times of change.

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APPENDICES

APPENDIX A

Interview Schedule

Change process (Merger & Acquisition)

Overall Objective

To gain information about the impact / effect of the change (M&A) process on employees and their experience in the workplace.

Demographic Information

Name:

Age:

Job:

Job grade:

Educational background:

Questions

1. Do you think the study of change / the impact of change in the workplace can benefit the functioning of an organisation and the well-being of the worker? If yes, why? If no, why?

2. What are, according to you, the "issues" around the change (M&A) process in the New Group?

3. In what way did the change (M&A) affect you, impact you?

    a. Work

    b. Work colleagues

    c. Family

4. In what way did the organisation go about to announce the change (M&A)? /how did you get to know about the change (M&A)?

5. How do you feel about the process used in the above / in the announcement?

6. In which manner should you have been informed about the change (M&A)?

7. Do you feel that all the employees were treated equally/ in the same manner during the change process? If yes, why? If no, why?

8. What were your needs during the time of change (M&A) process from the organisation?

9. In what manner did your employer accommodate you with reference to your work as a result of the change (M&A)? (Specific arrangements and adjustments in respect of work routine and responsibilities)

10. How did this treatment compare with your expectations for support at the time of the change (M&A) process?

11. Describe your feelings towards the New Group. Why do you feel this?

12. How has/does the change (M&A) affect/ed your quality of work life?

13. How has/does the change (M&A) affected your relationship with your boss & co-workers?

14. How does the above affect your attitude towards your job, boss & co-workers?

15. What effect does this/these attitudes have?

16. What do you as an employee feel you need from the New Group?

17. What would you like to be different regarding the whole change process (M&A)?

18. Do you think it is possible? If yes, why? If no, why?

19. Why do you stay with the (organisation) New Group?

Are there any other issues that you think would be relevant to mention that have not been raised in the interview? (Perhaps personal or emotional feelings; office or work circumstances or examples that highlight issues raised.)

THANK YOU FOR PARTICIPATING IN MY STUDY. I REALLY APPRECIATE YOUR TIME AND EFFORT.

APPENDIX B

Survey

From:	Walters, C. (Chrizelda)
Sent:	Wednesday, August 13, 2003 11:36 AM
Subject:	Survey

Dear Employee

I am conducting a study. The aim of this study is to measure the effect of organisational restructuring /change on employee post-merger work behaviour. More specifically I am interested in the role of communication in an organisation undergoing change and how this affects employees perceptions of fair treatment, which impacts on their job satisfaction.

The study consists of the attached questionnaire that needs to be completed by you via email. I understand that one of the major pressures that you are presented with is that of time, but I would appreciate it if you could take the time to complete the questionnaire. It should not require more than half an hour to complete the questionnaire on-line. After completing the questionnaires online, kindly forward directly to the sender. This will prevent access to your responses by anyone besides the investigator. Please return within two weeks. For the research to yield valid results, it is important that you answer all the questions as honestly and truthfully as possible. The answers must reflect your own opinion and perception. The questionnaire consists of four sections (Section A-D).

This study forms part of a dissertation for a Master degree in Industrial Psychology at the University of Stellenbosch. The research study is an independent study, which will be conducted under the supervision of the Industrial Psychology department at the University of Stellenbosch. Therefore, even though I do require your names for the use of

your email addresses, the confidentiality of your answers is guaranteed. No person within your organisation will have access to your individual results and your results will be treated as anonymous by the investigator. As a result the information that is used in the dissertation cannot be used by your employer to your disadvantage or to prejudice you in anyway. To ensure confidentiality, a distribution list has been created for sending the questionnaires out to you.

Thank you very much for your participation in this survey. I am sure that you will find it interesting.

Chrizelda Walters
(Unsigned as sent via e-mail)

Dr. H Vos
Supervisor: University of Stellenbosch
(Unsigned as sent via e-mail)

Q.doc

SECTION A

Biographical Questionnaire

Please will you complete the following questionnaire. All answers will be treated as strictly confidential and will not be disclosed to anyone. (Please click in the appropriate block)

1) Sex/Gender:
        Male: ☐
        Female: ☐

2) Age (category): 20-30 ☐
                  30-40 ☐
                  40-50 ☐
                  50-60 ☐

3) Ethnic Group:
        Indian: ☐
        Coloured: ☐
        White: ☐
        Black: ☐
        Other: ☐

4) Highest level of education obtained:
        Less than matric: ☐
        Matric: ☐
        Diploma: ☐
        Degree: ☐
        Post-graduate: ☐

5) Level/ Job Grade:
        NG:1 ☐
        NG:2 ☐
        NG:3 ☐
        NG:4 ☐

SECTION B

1. Recently your organisations went through a merger that involved many changes within the organisation. With regard to these changes, to what extent, do you think your organisation has: Click in the appropriate box)

	Small extent	Reasonable extent	Great extent
1. Treated you fairly	☐	☐	☐
2. Treated you without any reasonable explanation	☐	☐	☐
3. Acted in an open an honest manner	☐	☐	☐
4. Treated you with respect and courtesy	☐	☐	☐
5. Adequately considered your viewpoint	☐	☐	☐
6. Treated you rudely	☐	☐	☐
7. Treated you with kindness and consideration	☐	☐	☐

2. Please read the following questions related to your perceptions of fairness in your work environment. Please indicate whether you agree or disagree with each statement by clicking in the appropriate box.

	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
1. When decisions are made about my job, my supervisor treats me with kindness and consideration.	☐	☐	☐	☐	☐
2. I am treated with respect and dignity in this "organisation".	☐	☐	☐	☐	☐
3. When decisions are made about my job, my supervisor is sensitive to my personal needs.	☐	☐	☐	☐	☐
4. When decisions are made about my job, my supervisor shows concerns for my rights as an employee.	☐	☐	☐	☐	☐
5. Concerning decisions made about my job, my supervisor discusses their implications with me.	☐	☐	☐	☐	☐
6. My supervisor offers adequate justification for decisions made about my job.	☐	☐	☐	☐	☐
7. When making decisions about my job, my supervisor offers explanations that make sense to me.	☐	☐	☐	☐	☐
8. My supervisor explains very clearly any decisions made about my job.	☐	☐	☐	☐	☐
9. I have friendly relations with my supervisor.	☐	☐	☐	☐	☐
10. My supervisor is completely open and honest with me.	☐	☐	☐	☐	☐

SECTION C

1. Taking the recent changes in your organisation into consideration, please indicate how satisfied you are with the amount and/or quality of each type of information category described, by clicking the appropriate box.

	Very dissatisfied 1	2	3	4	5	6	Very satisfied 7
1. Information about my progress in my job	☐	☐	☐	☐	☐	☐	☐
2. Information about organisational policies and goals	☐	☐	☐	☐	☐	☐	☐
3. Information about how my job compares with others	☐	☐	☐	☐	☐	☐	☐
4. Recognition of my efforts	☐	☐	☐	☐	☐	☐	☐
5. Information about my department policies and goals	☐	☐	☐	☐	☐	☐	☐
6. Information about the requirements of my job	☐	☐	☐	☐	☐	☐	☐
7. Information about government action affecting my organisation	☐	☐	☐	☐	☐	☐	☐
8. Information about changes in our organisation	☐	☐	☐	☐	☐	☐	☐
9. Reports on how problems in my job are being handled	☐	☐	☐	☐	☐	☐	☐
10. Information about benefits and pay	☐	☐	☐	☐	☐	☐	☐
11. Information about our organisation's financial standing	☐	☐	☐	☐	☐	☐	☐
12. Information about accomplishment and/or failures of the organisation	☐	☐	☐	☐	☐	☐	☐

2. Taking the recent changes in your organisation into consideration, please indicate how satisfied you are with the following by clicking in the appropriate box.

1.Extent to which the people to whom I report know and understand the problems faced by subordinates

Very dissatisfied 1	2	3	4	5	6	Very satisfied 7
☐	☐	☐	☐	☐	☐	☐

2. Extent to which the organisation's communication motivates and stimulates an enthusiasm for meeting its goals

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

3. Extent to which the person to whom I report listens and pays attention to me

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

4. Extent to which the people in my organisation have great ability as communicators

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

5. Extent to which the person to whom I report offers guidance for solving job related problems

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

6.Extent to which the organisation's communication makes me identify with it or feel a vital part of it

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

7. Extent to which the organisation's communication are interesting and helpful

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

8. Extent to which the person to whom I report trust me

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

9. Extent to which I receive in time the information needed to do my job

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

10. Extent to which conflicts are handled appropriately through proper communication channels

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

11. Extent to which the grapevine is active in our organisation

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

12.Extent to which the person to whom I report is open to ideas

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

13. Extent to which horisontal communication with other organisational members is accurate and free flowing

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

14.Extent to which communication practices are adaptable to emergencies

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

15. Extent to which my work is compatible

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

16. Extent to which our meetings are well organised

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

17. Extent to which the amount of supervision given to me is right

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

18. Extent to which written directives and reports are clear and concise

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

19. Extent to which the attitudes toward communication in the organisation are basically healthy

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

20.Extent to which informal communication is active and accurate

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

21.Extent to which the amount of information in the organisation is right

1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐

SECTION D

Once again, taking the recent changes in your organisation into consideration, please indicate how satisfied or dissatisfied you feel with the various features of your job. (Please click in the appropriate box)

	Very dissatisfied						Very satisfied
	1	2	3	4	5	6	7
1. The physical work conditions	☐	☐	☐	☐	☐	☐	☐
2. The freedom to choose your own method of working	☐	☐	☐	☐	☐	☐	☐
3. Your fellow workers	☐	☐	☐	☐	☐	☐	☐
4. The recognition you get for good work	☐	☐	☐	☐	☐	☐	☐
5. The person to whom you report	☐	☐	☐	☐	☐	☐	☐
6. The amount of responsibility you are given	☐	☐	☐	☐	☐	☐	☐
7. Your rate of pay	☐	☐	☐	☐	☐	☐	☐
8. Your ability to use your abilities	☐	☐	☐	☐	☐	☐	☐
9. Industrial relations between management and workers in your organisation	☐	☐	☐	☐	☐	☐	☐
10. Your chance for promotion	☐	☐	☐	☐	☐	☐	☐
11. The way your organisation is managed	☐	☐	☐	☐	☐	☐	☐
12. The attention paid to suggestions you make	☐	☐	☐	☐	☐	☐	☐
13. Your hours of work	☐	☐	☐	☐	☐	☐	☐
14. The amount of variety in your job	☐	☐	☐	☐	☐	☐	☐
15. Your job security	☐	☐	☐	☐	☐	☐	☐
16. Take everything into consideration, how do you feel about your job as a whole	☐	☐	☐	☐	☐	☐	☐

Please click on file close & save. Forward to sender.

Your co-operation and assistance are greatly appreciated. Thank you.

APPENDIX C

Biographical Data

The sample (Employees from the New Group)

Age N=151

Range (Age)	Frequency	Percent
20-30	34	22.5
30-40	55	36.4
40-50	45	29.8
50-60	17	11.3
Total	151	100

Sex N=151

Sex	Frequency	Percent
Male	50	33.1
Female	101	66.9

Ethnic N=151

Ethnic	Frequency	Percent
Indian	9	6.0
Coloured	29	19.2
White	100	66.2
Black	12	7.9
Other	1	.7
Total	151	100

Education N=151

Education Level	Frequency	Percent
Less than matric	7	4.6
Matric	66	43.7
Diploma	50	33.1
Degree	20	13.2
Post Graduate	8	5.3
Total	151	100

Job Grades N=151

Job Grades	Frequency	Percent
NG1	25	16.6
NG2	63	41.7
NG3	38	25.2
NG4	25	16.6
Total	151	100