ORGANISATIONAL CHANGE: A CASE STUDY OF SİVAS AND ÇORUM CEMENT FACTORIES

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ABSTRACT

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This thesis develops a theoretical framework and a dynamic model for understanding of organisational change. In doing so, it is argued that organisational development approach takes little account of the wider set of factors that determine change and that organisational change model is more suitable basis for arriving at better understanding of the change phenomena. Therefore, why and how organisations change and what is changed in organisations constitute the focus of analysis in the organisational change model.

Another aspect of the main theme of this thesis is the examination of organisational change in its relations with privatization. In so far, while privatization has been well documented in terms of economic and financial analysis, little has been written from the issues of organisational change theory. This thesis examines the impacts of privatization and organisational changes in two cement factories in the context of organisational change model.

Keywords: Organisational Change, Organisational Development, Privatization, Planned Change.

ÖZ

ÖRGÜTSEL DEĞİŞİM: SİVAS VE ÇORUM ÇİMENTO FABRİKALARI ÖRNEK OLAY İNCELEMESİ

Okçu, Murat
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Bu tez, örgütsel değişimin anlaşılabilmesi için kuramsal bir çerçeve ve dinamik bir model geliştirmektedir. Bu çalışma sırasında örgütsel gelişim yaklaşımının değişimi belirleyen geniş etmenler bütününün çok azını dikkate aldığı ve örgütsel değişim modelinin değişim olgusunun kavranılmasında daha uygun bir temel oluşturacağı ileri sürülmektedir. Bu nedenle, örgütlerin niçin ve nasıl değiştikleri ve örgütlerde neyin değiştiği örgütsel değişim modeli içinde inceleme merkezini oluşturacaktır.

Bu tezin temel içeriğinin bir başka yönü örgütsel değişimin özelleştirme ile ilişkisi çerçevesinde incelenmesidir. Şimdiye değin özelleştirmenin ekonomik ve finansal yönleri detaylı olarak araştırılmıştır, fakat konunun örgütsel değişim kuramı ile ilgili tarafları incelenmemiştir. Bu tez iki çimento fabrikasında özelleştirmenin etkilerini ve örgütsel değişimi örgütsel değişim modeli bağlamında incelemektedir.

Anahtar Kelimeler: Örgütsel Değişim, Örgütsel Gelişim, Özelleştirme, Planlı Değişim.

Of course,

to my wife, Pelin

for her endless love and understanding

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TABLE OF CONTENTS

LIST OF TABLES

Table

LIST OF FIGURES

Figures

1. INTRODUCTION

During the 1980s it was fashionable for the mass media and press to report on changing environment. We were bombarded with stories and statistics informing us about different and faster events and trends. The pattern of such changes has not been coherent, and different sectors have been affected differently, and they have raised considerable problems of management and public policy making. They have involved major shifts in priorities, new patterns of resource utilisation, and relations between government and private sector. This changing nature of societies is illustrated by different terms by different social scientists, such as "*disorganised capitalism*", "*post-industrialism*", "*post-Fordism*", and "*post-modernism*". There are key differences between such scenarios, but they share the common message that present experiences of uncertainty will be repeated by continuing uncertainties in the future.

For several reasons someone may feel or hope that these uncertainties are a period of transition toward greater stability. But it may not be surprising to say that these uncertainties will continue in the foreseeable future. There is

no doubt that if these turbulent times are unsettling for society and individuals, they are equally so for organisations. They can result in some changes in organisations because of disturbance in internal equilibriums and their relationship with their environment. Translated into administrative context, this means that lack of change will endanger the survival of organisational life itself. Given this unavoidable fact, the task of managers and, of course, scholars is to think about and learn about the organisational consequences of these turbulent times. Because, the inevitability of change and the necessity for organisations to adapt to it make organisational change one of the most important concerns of contemporary organisation theory.

There were, of course, different patterns about what organisations and their managers should do to cope with these changes. There is, at the same time, a growing body of literature that attempts to understand both change and organisational responses to it. However, discussions and explanations concerning change where they are present in Turkish administration science and organisational theory literature are often inadequate and, in particular, suggest a limited conceptual understanding of organisations and of the process of organisational change. This can be seen especially in Turkish books and articles regarding organisational change which focus heavily on "organisational development".

This literature strongly emphasise improving the quality of working life of organisational members, and takes little explicit account of the wider set of factors that determine organisational change. It is not, however, a suitable basis for arriving at a better understanding of the organisational the change phenomenon. The organisational development literature contains little

organised knowledge about the factors that determine changes and organisational change, on the whole, is not well understood by this literature.

This study is about organisational change-that is, changes in structure, technology, organisational processes, and in human resources. We will try to develop a theoretical framework and dynamic model for understanding organisational change. Our study will try to explore how organisations change within the context of this model. Our basic objective, thus, is to describe the difference between planned and unplanned change, and the four types of it-structure, technology, processes, human resources-occurring in organisations.

Together with this primary purpose of the study there is a second one. This study is concerned with the understanding of organisational change in its relations with privatisation. It has gradually become a major phenomenon through the eighties. Like many other countries, Turkey is undertaking an extensive privatisation program that started in the early 1980s. Privatisation in Turkey has some purposes, such as to increase productivity and efficiency and the quality, quantity, and diversity of the goods and services. The realisation of privatisation purposes necessitates some changes in the combination of business units, product lines, technology, structure and human resources of organisations.

While privatisation has been well documented in terms of economic and financial analysis, little has been written from the issues of organisational change, and privatisation's impacts on the organisations have not been studied. When privatisation strategy is being enacted, it will be impossible to ignore the effects of privatisation on the organisations. Since privatisation is

very important for the State's Economic Enterprises, such a change should be studied from the organisational theory perspective. Nowadays, Sivas and Çorum cement factories are at the stage of "post-privatisation" period since 1992. If the organisational change model can be defined clearly, and sort of changes occurred in these factories can be understood, evidences from this study can make a contribution to organisational theory and change literature and they can be used to reduce the possible barriers in the future. In order to reach to the mentioned objectives, a case study will be conducted following the construction of a theoretical framework.

Within this framework, our study will include two basic parts; in the first main part, a theoretical framework for the analysis of organisational change will be outlined. Some detailed conceptual elements linked to this framework will be introduced and they will be designed to provide specific guidelines for the case study. Although every school of organisation theory has its own set of assumptions about the meaning of change and its objectives or ends, we will look briefly at some of the general objectives that are basically accepted by all students of change. Organisation theories are not interested in all changes. Changes can "just happen" or can be "planned". In this study, our attention will be with change that is planned-managed or proactive. Moreover, as a particular value that influences both the process and the result of change, responsiveness of the bureaucracy to the citizen will be discussed.

Theoretical framework of the study will be supported by a dynamic model developed by Robbins(1990). In our study, we will follow this dynamic model step by step, but, in the construction and development of our model we

will choose an eclectic path rather than limit our thinking to one best way from a single scholar. It should be stated that many studies of organisational change tend to be narrowly focused, recommending just one type of intervention strategy or examining just one or a few sub-categories of our model. Except under very unusual circumstances, it is extremely difficult to develop a general model by combining the findings from such disjointed studies. It is also impossible for any theory to be simultaneously "general, accurate, simple and specific". As we noted earlier, our goal is to achieve a more comprehensive understanding and portrayal of organisational change. Therefore, believing that generality of a theory is associated with the more comprehensive understanding that we seek, we will choose to adopt a model and research methodology that give us a good chance of reaching more generalizable conclusions to understand organisational change than those recommending just one type of change or intervention strategy. Thus, our model will be analytical in its every stage.

After this first main part of study, particular case study will be described. Scope of study is restricted with Sivas and Çorum cement factories. There are several factors for preferring these factories: first of all, it is thought that enough time which permits the examination of situations in factories after the privatisation passed. Moreover, privatisation is one of the most important determinants for the public organisational change. In the context of developed framework what was(or was not)changed after the privatisation will be studied in the case study.

The conclusion will be done as the last part of study. In this part, the objectives and results of study will be discussed.

2. GENERAL FRAMEWORK

2.1. Theoretical Framework

Our ideas about organisational change are continually changing. In addition, our identification and understanding of what constitutes an organisational change also change (Michael, 1982). Every school of organisation theory has its own set of assumptions about the meaning of change and its objectives or ends. Before examining these schools of theory we will look briefly at some of the general objectives, suggested by Gortner (1987), that are basically accepted by all students of change. It is possible to summarise many of the commonly accepted goals under five topics.

1. It is generally agreed that organisations should be able to adapt to external change in the political, economic, and/or technological environment, the corollary to this idea is that organisations must be able to create new knowledge, processes, or technology.

2. A general call for greater rationality in decision-making exists in organisations. What is meant by rationality varies depending on the type of organisation being discussed.

3.The goal of changing any aspect of the organisations is to improve efficiency and effectiveness. Again, the definitions of efficiency and effectiveness will differ among observers, but much of the debate about what should be done will occur around these basic concepts.

4. The goal of change efforts carried out by many social scientists is to reduce "organisational pathology." Pathology here refers to "deviations from the normal that constitute disease or characterise a particular disease" or a "deviation from propriety or from an assumed normal state" (Webster's New Collegiate Dictionary, 1977).

5. To a limited extent, the goals above are also involved in attempting to reduce conflict.

The various organisation theories have all addressed at least some of the goals presented above. According to Gortner, however, these theories have either left out important elements or have stressed select factors. Change theorists attempt to deal with all five goals at once. When we look at decision-making theory, for example, it is obvious that the rationalist theory focuses on greater rationality and improved efficiency and effectiveness, but fails to recognise the importance of being able to adapt to external change, reduce organisational pathology, or reduce and redirect conflict. If we look at any of the other special areas of organisation study (motivation, control, communication, leadership, and so on), we can see the same kind of partial attention to all five goals in most popular theories (Gortner, 1987:392).

On the other hand, organisational change literature attempts -with differing level of success- to develop new approaches. Post-modern approach is one of

them. Because as Blackler suggests that the nature of organisational change is also changing:

> Ever since Marx, it has been recognised that capitalist societies are societies of change and what is happening (...) is by no means untypical of events in other countries. What does seem unusual, though, is the rate and extent of changes currently affecting the developed world (Blackler, 1993:274).

On this point attitudes amongst social scientists are changing. This is well illustrated by a comparison between two books on change. In 1964, on social change, Etzioni and Etzioni wrote:

> We do not wish to imply that a perfect balance has been achieved, making for permanent stability. But in the near future, modern societies seem comparatively stable and -barring a major nuclear disaster- unlikely to change rapidly on a large scale." (Etzioni and Etzioni, 1964).

In 1987, in their study of change in modern societies, Lash and Urry emphasised that:

> The world of 'disorganised capitalism' is one in which the 'fixed, fast frozen' relations of organised capitalism have been swept away. Societies are being transformed from above, below, and from within. All that is solid about organised capitalism, class, industry, cities, collectivity, nation state, even the world, melts into air" (Lash and Urry, 1987).

A range of new approaches to the management of change have been popularised during the 1980s but, as the dramatic events in Eastern Europe and China have revealed, disjunctive social and organisational changes are not easily understood or managed. What both events demonstrate clearly is that an understanding of the processes of social upheaval requires a theoretical framework that will illuminate key issues simultaneously at different levels of analysis (Blackler,1993:277).

To understand complex social changes, links have to be forged between social, economic, political and historical analysis on the one hand and people's beliefs, imaginations and aspirations on the other. Relevant theory must do more than simply explaining the past trends of history. In practice, this means that such theory should explore the social arrangements are "artefacts". These requirements are exactly paralleled by the need within organisational studies to understand disjunctive organisational changes. Here, too, according to Blackler, it is not possible to understand the problems of widespread change through theories that separate studies of the social and institutional from those of the cognitive and emotional. Moreover, such theories should not stand apart from the phenomenon which they examine (Blackler, 1993:277).

Kenneth Gergen (1993:208), who is also prominent in the post-modern organisation theory, suggests that organisation theory and management practise has been restricted by too heavy a reliance on romantic and modernist forms of discourse. At the present time, he argues, it is important to combat the processes by which new meanings and possibilities in social life are stifled. Gergen's prescription raises key questions about the practicality of attempts to introduce rapid transformations in the shared cognitive schemes and institutional frameworks which people have become skilled in using. What Blackler .does ask, however, is how feasible is Gergen's proposal? He answers that question by theory that is both interdisciplinary and action -oriented. He outlines the key notions associated

with Unger's (1987) theory of formative contexts and Engestrom's (1987) notion of activity systems.[1]

According to post-modern view, organisation theory should move into the post-modern era. At a time of considerable social and organisational upheaval, conventional assumptions about the management of planned change in organisations must be discarded for it is a mistake to assume that disjunctive social changes can be managed in a rational, ordered, and consistent way. A different series of expectations and theories that emphasise the arbitrary cognitive and institutional bases of organisations, explain their inertia, and underline the joint significance of debate, engagement and experiment required. After stated shortly post-modern alternative for understanding the organisational change and its challenge to conventional assumptions about management of change, we will explain, still in "modernist" manner, the difference between planned and unplanned change in next section.

2.2. Planned Organisational Change

Organisation theories are not interested in all changes. Changes can "just happen", or can be "planned". Similarly, change agents can direct their

[1] The **theory of formative contexts** clearly locates individuals and their organisations in their broad historical and social contexts, emphasizes the power of existing institutional arrangements over taken- for granted practices, and highlights both their arbitrary nature and the opportunities that could be exploited to build alternative organisational forms. Engestrom's **theory of activity systems** focuses explicitly on how detailed analysis of the internal contradictions of activity systems can provide opportunities for their modification. Engestrom explores the significance of experimentation for learning and behaviour change.

efforts at changing people as well as structures. Our attention will be with change that is planned or managed .

The objective of planned change is to keep the organisation current and viable. As long as organisations confront change -current products and services reach maturity in their life cycles and become obsolete; competitors introduce new products or services; government regulations and tax policies affecting the organisation are changed, important sources of supply go out of business- the organisation either responds or accepts the inevitable decline in effectiveness. Organisations that persist in "keeping their heads in the sand" eventually find themselves in bankruptcy court (Robbins, 1990:383). This is illustrated in Nystrom an Starbuck's (1984:54) study. Among U. S. corporations, 62 percent failed within their first five years and 90 percent were gone after twenty years. Because management has failed to successfully respond to a changing environment, organisation's survival has been threatened. Because organisations are dependent on their environments -and because the environment does not stand still- organisations must develop internal mechanisms to facilitate planned change. Change efforts that are managed, proactive and purposeful are what we mean by planned change.

The type of change that management seeks to create depends on target. At the individual level, managers attempt to affect an employee's behaviour. Training, socialisation, and counselling represent examples of change strategies that organisations use when the target of change is individual. Similarly, management may use interventions such as sensitivity training, survey feedback, and process consultation when the goal is to change group behaviour. Only individual and group change, which is typically studied in

organisational behaviour courses under the heading of "organisational development" is not the province of this study but[2] our concern is with structural, technological, and process change although we mention briefly the behavioural side.

Great efforts are being made to increase the area of planned change for organisations. The first step is obviously that of description, but the final product, if definition and description are successful is the prediction of events and prescription of ways to handle them as they occur (Gortner, 1987:394).

2.3. Organisational Change and Extra Dimensions of Public Organisations

When different organisational change theories are applied to public administration, it is necessary to add one particular value that influences both the process and the result of change: responsiveness of the bureaucracy to the citizen. This value is usually discussed in the context of a continuum that stretches from accountability to responsibility. In this context, Gortner says:

> one's view of whether public organisation members must adhere strictly to the law and to the orders of superiors (accountability or must be responsive to the needs of their clientele or their personal moral code and do 'what is right no matter what the law says' has a tremendous effect on how one sees the need for and the goals of change (Gortner. 1987:392-393).

Although everyone can agree that change is needed to achieve greater efficiency, the concept of effectiveness has very different meanings to people

[2] For readers interested in behavioral change techniques, see Stephan P. Robbins (1989).Organisational Behaviour: concepts, controversies, and applications. N. J.: Prentice-Hall.

at different ends of the continuum. Effectiveness refers to the impact of a program or process, and in order to evaluate it, there must be consensus about both long-and short-term goals. Different views about the program's immediate results, the properness of the procedures being used, the attitudes of the bureaucrats implementing the program cause to a confused discussion about bureaucratic responsiveness.

Those who are committed to the idea of accountability will follow the letter of the law, for them, the important issue is to ensure that the elected representatives of the people make the law. Where making public policy is at issue, it is the elected officials, and not the bureaucrats who must be responsive. For accountability advocates, organisational change must always be designed with this priority in mind.

Those who are committed to the idea of individual responsibility to one's own "moral code or to one's clientele" argue that public administrators must be sensitive to the needs and desires of those they serve. This goal will be best reached when public organisations are free to contend with others about appropriate goals and procedures. For those holding this view of public organisations, change takes many forms, including reshaping organisational cultures and depending to a much greater extent on the sense of responsibility felt by public servants. These two interpretations of change -accountability and responsibility influence any discussion of the subject within public sector organisations (Gortner,1987:394).

It seems that bureaucracies are the most difficult type of organisations to change because they have formalised and developed written rules, regulations that make change difficult. Strangely, the evidence does not support this

criticism. Blau, in his study of employment agencies, found no rigid opposition to internal change among civil service officials, noting rather that "bureaucratic conditions engender favourable attitudes toward change" (Blau, 1970:249). Blau's explanation for bureaucratic receptiveness to change was that job security eliminated the fears of workers about change and that the very routinization of tasks characteristics of bureaucracy creates a desire for challenge and variety. In addition, Hage (1980:243) found that machine bureaucracies are more susceptible to radical change than organic structured organisations. Thus, for Hage, we are led to a curious paradox namely that mechanical organisations are also places where radical innovation can occur, because they are more likely to have crises.

Consequently, it is necessary that organisational change theory and practices must think of some extra dimensions such as responsibility, accountability, job security and internal conflicts and crises that cause more change efforts in public organisations.

3. A MODEL FOR ORGANISATIONAL CHANGE

Figure 3-1, adopted from Robbins, represents a model for organisational change. This model will be followed step by step in both the construction of theoretical basis of study, and the illustration of the case study. However, in the construction and development of the model in theoretical part an eclectic path will be chosen rather than limiting our thinking to one best way from a single scholar. Because, it is thought that the development of a model that will facilitate the analysis of the wide ranging sets of variables which are involved in organisational change obviously difficult and can not be undertaken without such an eclectic path. The model can be broken down into a set of steps. Change is initiated by certain forces. These are environmental factors or internal problems or opportunities. We called them as "determinants" of organisational change. They are the answer of why organisations change? These forces are acted upon in the organisation by a "change agent". This change agent as an "organisational initiator" chooses the intervention action or "intervention strategies", that is, he or she chooses what is to be changed. "Implementation" of the intervention contains two parts: what is done and how it is done.

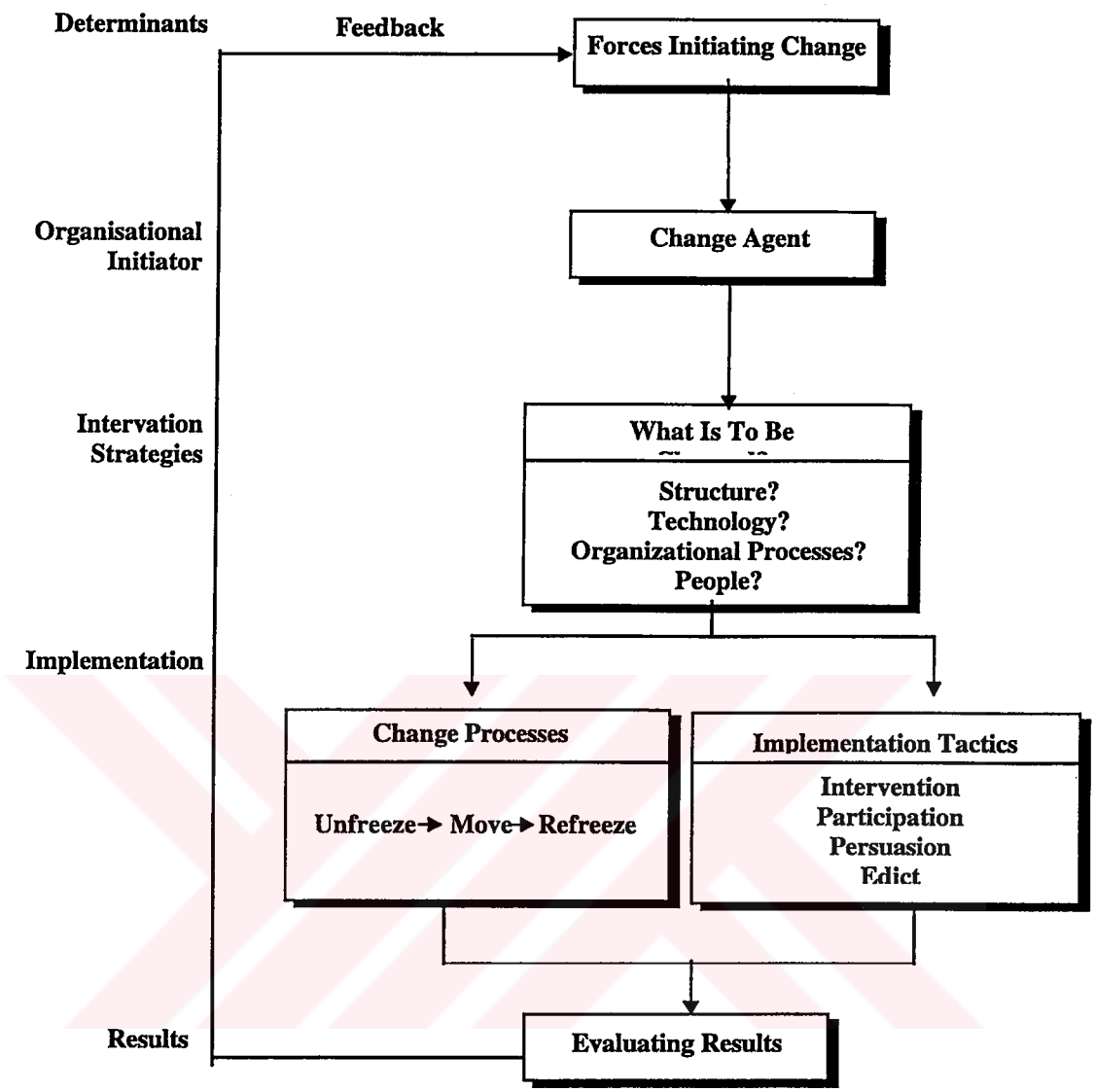

FIGURE 3-1. A Model For Organisational Change (adapted from Robbins, 1990, p. 386)

The 'what' requires three phases: unfreezing the status quo, movement to a new state, and refreezing the new state to make it permanent. The 'how' refers to the tactics used by the agent to implement the change process. The change itself, if successful, improves organisational effectiveness. Whether the "results" are positive, negative, temporary, or permanent depend on each of the earlier steps. Regardless of the outcome, the model shown in Figure 3-1 is dynamic. The need for change is continuous, hence the need for the

feedback loop. The feedback loop acknowledges that this model is dynamic because a change in one area of the organisation is likely to initiate new forces for other changes.

Now we turn our attention to the examination of these set of steps and begin by examining "determinants" of organisational change.

3.1.DETERMINANTS OF ORGANISATIONAL CHANGE

3.1.1. Why Organisations Change

To advance our understanding and practice in regard to organisational change, we need to develop a perspective on the question of why organisations change. Although change theorists and professionals are focusing too much on the questions of how and what to change, only by answering the why question we can make progress on the how and what.

In this regard, Lawrence (1989:48) states that we have to go back to the fundamental why question because as change agents we seem to be running into overwhelming new constraints to improving organisational effectiveness. By focusing on the why of organisational change we can also broaden our repertoire of change methods.

The factors that have capacity to initiate organisational change are countless. The impetus for change can come from anywhere. Any list, regardless of its length, is far from comprehensive. But, there should be no doubt in our mind that organisational changes are departures from the status quo or from smooth trends. According to Huber and Glick (1993:3), there are two such forces for change: the organisation's environment and the organisation's top managers.

The fast-changing nature of today's environments is largely a consequence of two factors:(1) the increasing effectiveness of information technology -both communication technology and computing technology; and (2) the increasing effectiveness of transportation technology. However, what is lacking is an analysis of why these changes in organisational environments are occurring and what will be the general nature of their effects on organisations. Observing current events can be a poor way to predict the future and is an even poorer way to identify the root causes of environmental change (Huber and Glick 1993:4). When forecasting future organisational environments we must look at longer-term trends. There are strong reasons to believe that growth in scientific knowledge is the long-term trend that best explains the changing nature of organisational environments. For example, from 1965 to 1980, the number of scientific articles published per day rose from 3.000 to 8.000, and the number of scientific journals, from 1800 to 1980, rose from 100 to about 100.000 (Huppes, 1987:65). In the future, the amount of available knowledge and its absolute growth rate will be significantly greater than in the past, because this is a long term-trend. Increases in available knowledge are a root cause of change in organisational environments. The discussions stated above is about causes of environmental change. However, we are interested in organisational change. Then, what are the features of an organisation's environment that, when they change, force changes in the organisation itself? There are two: environmental complexity and the level of turbulence (and their absolute growth rates) will be significantly greater in the future than in the past. Next question, of course, is related with the organisational consequences of this environment being characterised by more and increasing knowledge, complexity, and turbulence? The organisational

consequences of accelerating environmental change can be summarised as that:decision making must be more frequent, more rapid, and more complex; decision implementation must be more rapid; information acquisition must be more continuous and more wide ranging; information distribution must be more directed; and organisational learning must be more managed.

Up to this point, we have mentioned the effects of environmental changes on organisations. We want to turn now and examine the impacts of top managers on organisational change. Because, top managers are a key determinant of when and how organisations change. They influence organisational change in four important ways. The first way is through their belief systems. Top managers' beliefs determine the organisational strategies, structures, and cultures they prefer and seek to create in their organisations, and in this way they cause top managers to be source of change. The managers can also serve as inhibitors of change. Their beliefs and their competencies can cause top managers to serve as constraining agents. Hambrick and Fukutomi (1991:738) suggest that this problem is most acute when a top manager's tenure begins to exceed some industry duration, generally about seven years. The third way top managers impact their organisations is as interpreters of the organisation's environment : top managers label environmental stimuli as "problems" or "opportunities", and these labels affect organisational actions. Finally, top managers are manipulators of the organisation's environment, at least to a degree. They advertise, lobby and educate to make environments hospitable for their organisation (Huber and Glick, 1993:9).

According to Michael (1982:443), the continuum of change in the environment - from the obvious to the unpredictable - is the developing responsibilities of managers. Management is now a two - front job. There is an outside as well as an inside responsibility. The first front is the traditional one - guiding the organisation to achievement of its goals by getting on with its tasks. The second front is a newer responsibility - maintaining a watch on the external environment for problems that will afflict and opportunities that can be exploited for organisation.

As we have stated earlier, our basic objective in this study is to examine heavily organisational change in terms of organisational structure. That's why we want to look at a number of the more visible reasons by depending on Robbins' (1987:387-388) study for an organisation's considering a change in structure more in detail.

When an organisation's objectives or mission change, its structure will typically be redesigned too, for example, if an organisation chooses to move from being an innovator to being a follower consistent with its strategy, its structure will likely need to become more mechanistic; the technology should become more standardised, and the need to monitor the environment, through boundary-spanning roles, should increase. The purchase of new equipment, when it used in activities done previously by human labour, makes the organisation more capital intensive. When this happens, specialisation tends to be replaced by standardisation. When the major organisations began significantly increasing the number of robots on the assembly line, technology changed and so did structure. For instance, fewer supervisors were needed to get the same output because an increased number of activities

were now being done by mechanical devices. Furthermore, new equipment that increases capital intensity and standardises internal processes will tend to require the organisation to become more mechanistic again. On the other hand, when an important skill that the organisation depends upon is scarce, structural change frequently occurs. For example, shortages of tax lawyers, systems analysts, and similar professionals has forced managers to make their organisation more organic. Because these professionals are in short supply, they have been able to negotiate a greater voice in decision-making, less direct supervision, and fewer rules and regulations.

Furthermore, when organisations introduce sophisticated information processing system, the centralisation dimension is typically altered. Improved information-processing allows top management to decentralise authority yet at the same time maintain control. An obvious impetus to organisational change is also a change in government regulations. This applies to both increased or decreased regulations. For example, the passage of new laws creates the need to establish new departments and changes the power of current departments. Government regulation category is meaningful for our study because privatisation is one of the important government regulations.

Major changes in the economy can create the need for organisations to change their structure. Significant changes in the interest rates illustrate this point. When, for example, interest rates decrease organisations may respond by expanding the discretion of purchasing personnel and decentralising authority to allow them to respond more quickly to changes in inventory needs.

Mergers or acquisitions changes structure of organisation too. No major merger or acquisition can take place without reorganisation. In such a

situation, duplicate functions must be eliminated and new co-ordinating positions must be created. Many of the structural effects that result from increases in size can be expected when companies merge with others or grow through acquisition.

When a corporation's profits drop off, management frequently resorts to a structural shake-up. Personnel will be shuffled, and departments added and/or deleted, new authority relationships defined, and decision-making patterns significantly altered.

Structural modifications can be suggested as ways to deal with morale problems. Professionals, in particular, can be depicted as preferring jobs that are low in normalisation and low in horizontal differentiation and allowed for considerable decision-making discretion. Changes in structure-such as making the organisation more organic-may be a way for management to reverse a decline in morale. Similarly, a redesign of jobs following the job characteristic model might improve morale. An unsatisfactory level of employee turnover can also initiate structural changes. If an organisation is losing employees who are good performers and difficult to replace, management frequently turns to structure for solution. Work design may be an answer. Possibly the reward system needs to be modified. Wages and salaries may be too low. The creation of a performance-based incentive plan might prove to be an effective solution.

Consequently, it can be said particularly for public organisations that the impetus for change usually comes from the environment. Political, public, judicial, media, or professional evaluation may indicate that the organisation

is performing inadequately, and demands may be made that the organisation improve its performance (Heffron, 1989:153).

3.2. ORGANISATIONAL INITIATOR

3.2.1. Change Agent

Change agents initiate organisational change. But who are they? Robbins defines change agents as "those in power and those who wish either to replace or constrain those in power" (Robbins, 1990:388). This typically includes senior executives, managers of major units within the organisation, internal staff-development specialist, and powerful lower-level employees.

On the other hand, according to Gortner (1987:395), change agent is "a third party to the issue and organisational unit being considered who can operate as an objective, noninvolved consultant on ways to accomplish the desired change." Difference between two definitions regarding the objectivity of change agent is important. Because, change agents important for who they are and the interest they represent. As our discussions of organisational effectiveness have mentioned earlier before, assessing the effectiveness is not value free. We should expect, therefore, that every change agent will bring along his or her own self-interests. The background and interests of the change agent are critical to the determination of what is perceived as a condition in need of change.

On the other hand, as stated by Killman (1989:206) the diagnostic phase is very much guided by external consultants. The outside consultant, who takes on the change agent role, can be looked at from two perspective. From the one point of view (rational view), the outside consultant "brings to the

organisation objectivity to analyse the organisation's problems and the expertise to offer valuable suggestions for change." From the other perspective (power-control view)[3] , however, the outside consultant becomes nothing other than the "hired gun" brought into confirm and legitimate changes that might otherwise be perceived as self-serving (Pfeffer, 1981:143).

Furthermore, management can use outside experts to give the experience of impartiality. When might outside consultants be used this way? When management is seen as biased toward a specific change action. The outside consultants can be used as a manipulative means to achieve management's preferred solution. Because consultants are perceived as objective and expert. This ensures the legitimacy of them. Moreover, because they are not attached to organisation, they are perceived as fostering less visible self interest in their recommendations (Robbins, 1990:390).

3.2.1.1. Diagnosing the Problems

To achieve change we must recognise that change is desirable and feasible. People must recognise that changes are needed. The point is that people become 'locked' into patterns of behaviour, systems and procedures. Yet recognising that something is no longer effective involves the willingness to consider evidence of ineffectiveness and then to question why, how and what might be done instead (Carnall, 1990:69). Therefore, the aim of the diagnosis stage is to identify the cause of the problems so that an appropriate change can be planned and implemented.

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[3] For power-control perspective, see Pfeffer, J. (1981) Power in organisations Marshfield, Mass. : Pitman Publishing, and Provan, K.G. and Boer, G. (1984) "Beyond strategic contingencies theory: understanding deparmental power in organisations.", paper presented at the Annual Academy of Management Conference, Boston, Mass., August.

What we need are "systematic" and "workable" means of monitoring performance, measuring effectiveness, measuring potential for improvement, monitoring the environment for new products, markets, distribution channels, technologies, etc. But, what do we mean by effective? What do we mean by 'doing well'? Are we concerned with profit, sales value, market share, or service level? The question of how well are we doing becomes quite complex.

Despite this fact, we need to assess effectiveness and efficiency. By means of assessing effectiveness and efficiency we can solve one of the dilemmas of organisation: "when we are doing well, why change?" Attempts to be efficient and effective and doing well provide organisations with resources, the time and the confidence to accept change. Effectiveness - efficiency plus adaptability - implies the ability to recognise and respond to changing market or other environmental circumstances.[4] We can use different techniques for monitoring effectiveness, for example, checklist for completing functional analysis of the organisation and a diagnostic questionnaire(Carnall,1990:88). Functional analysis of organisation allows to consider and assess how well each employee supports the organisation's objectives; and organisational diagnosis questionnaire provide an assistance in making an analyses of organisation's internal system, process and their effectiveness.

By adapting from Nadler (1977:119), Dessler (1986:443) explains the diagnostic techniques. They include interviews, questionnaires, observations,

[4] For organisational effectiveness, see Cameron, K.S. (eds.) (1983). Organisational effectiveness: a comparison of multiple models. N.Y. : Academic Press, and, Cameron, K.S. (1986), "Effectiveness as paradox : consensus and conflict in conceptions of organisational effeectiveness." Management Science, May, 1986: 539-53. R.E. Quinn and J.Rohrbaugh, "A competing values approach to organisational effectiveness" Public Productivity Review, 5: 122-40, 1981.

and secondary data. Depending on the apparent nature of the problem and the capabilities of the organisation, these diagnostic techniques may be employed by the organisation's managers or by a special consultant retained to diagnose the problem and implement the changes. At the diagnosis stage, interviewing everyone in the top management group is very important simply because their views, and especially their commitment to change, are so critical to the change program. But, if the interviewers only see organisations as a network of interpersonal relationships, they will only ask questions and record responses with regard to interpersonal problems and experiences. The same holds true for seeing organisations as document-producing systems, cultural phenomena, management styles, or group dynamics.

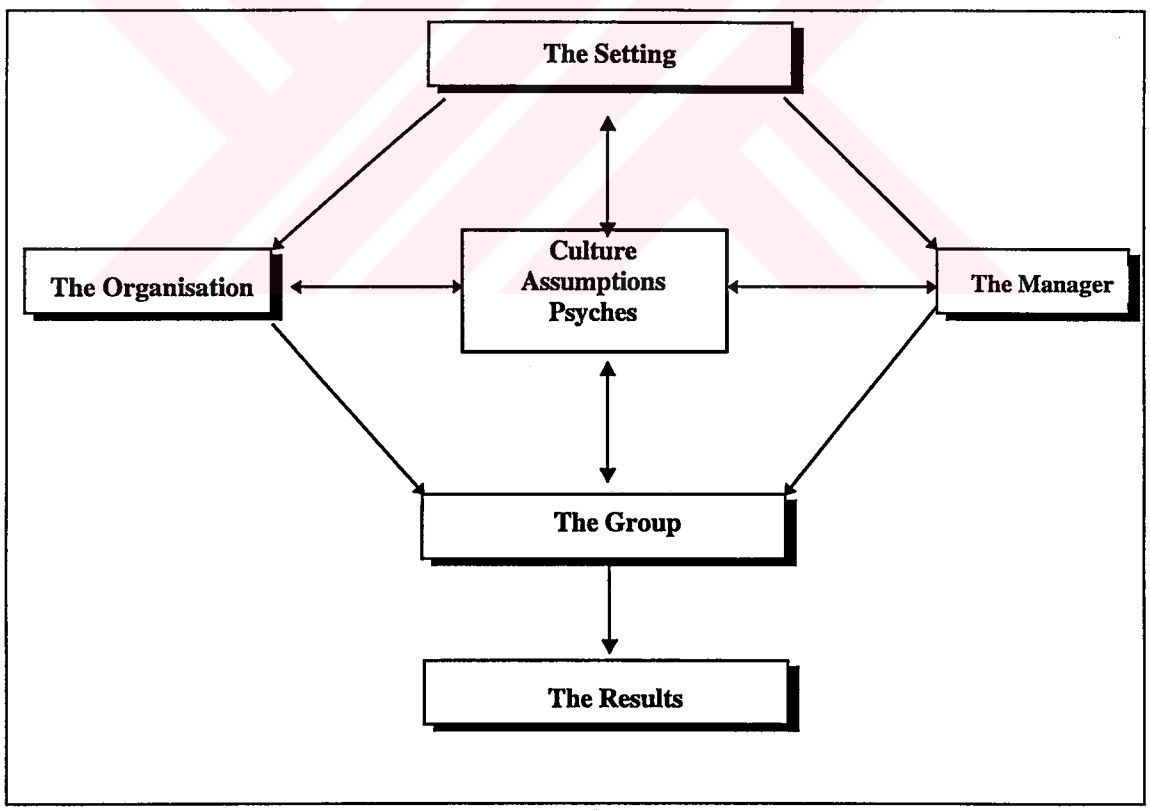

FIGURE 3-2. Kilmann's Holographic Image Model of Organisation. (adapted from Killman, 1989, p. 207).

Figure 3-2, developed by Kilmann, shows organisational life as a holographic image. This image model is used for discovering an organisation's full range of problems standing in the way of organisational success: its barriers to success.

Kilmann's model consists of five broad categories representing the "at-the-surface" aspects of an organisation plus, at centre stage, three "below-the surface" aspects that add the dimension of depth.

The five categories are the setting, the organisation, the manager, the group, and the results. The three "holographic" aspects are culture, assumptions, and psyches. According to Kilmann, the double arrows surrounding the "holographic diamond" signify the strong reciprocal influence between the three "below-the surface" aspects and categories. Similarly, the single arrows show the primary impact one category has on another, particularly "how several categories combine to determine decision-making and action-taking, as well as morale and performance" (Kiln, 1989:208).

At the top of this model is the setting, the broadest category of all. It includes every possible event and force that can effect the success of the organisation. Even if many of these events are generally irrelevant, they can become a significant factor for the organisation to consider at any time. Furthermore, Kilmann (1989:208) uses both term "dynamic complexity" and "external stakeholders" to explain the setting category. Kilmann uses dynamic complexity to summarise the two qualities that are having increasing impact on all organisations: rapid change and interdependence in a global marketplace. On the other hand, external stakeholders are any individual, group, other organisation, or community that has some stake in what the

focal organisation does-making dynamic complexity both unique and operational for an organisation. The setting category provides the context in which the organisaton's internal properties and dynamics understood, interpreted, and subsequently aligned.

While on the left-hand side of the model, the formal organisation can be diagnosed according to strategy, structure, and reward systems. On the right-hand side of the model, the styles and skills the managers can be diagnosed for how well they fit the types of people and problems in the organisation. Until recently, managers have been thought of primarily as decision makers. Today's managers have to be problem managers-sensing and defining problems- even more than decision makers selecting and implementing solutions.

At the centre of the model, the uniquely holographic, below-the-surface aspects of the organisation can be diagnosed: culture, assumptions, and psyches. Each of these aspect functions at a different level of depth. According to Kilmann (1989:209) culture is the invisible force behind the tangibles and observables in an organisation, a social energy that moves the membership into action. Culture is defined as shared values, beliefs, expectations, and norms. The second holographic aspect, assumptions are all the beliefs that have been taken for granted but may turn out to be false under closer analysis. Underlying any decision or action is a large set of generally unstated and untested assumptions. On the other hand, the third holographic aspect of organisations, psyches, is the innermost qualities of human mind and spirit. While psyches cannot be changed in a short period of time, if at all an accurate understanding of human nature is essential in order

to design strategy, structure, reward systems, cultures, and the implementation of all business decisions.

The lower part of the model portrays the decisions and actions that follow from group efforts. While individuals do make decisions and take actions on their own, today's organisation requires multiple contributions from members of one or more groups in order to manage complex problems. Groups can be nominal-existing in name only- as information is not even discussed among the members.

It can be seen from the model diagnosis for change is partly a matter of analysis and partly a matter of understanding the human dimension of the organisation. While it is important that any diagnosis gives full weighting to the and organisational issues, this is not enough. Attention must also be given to the people involved. Can they work more effectively? Could they be managed more appropriately? Can we engage their commitment to change? These questions turn on whether or not we believe that there is potential for improvement within organisation's people.

3.2.1.1. Plan and Scheduling Change

After the full diagnosis of organisation's problems and opportunities, it then becomes desirable to plan and schedule organisational change. This stage of planned change must involve at least three elements: 1) selecting the first unit to participate in the program and planning the spread of change to remaining organisational units; 2) selecting the techniques and methods for bringing about change 3) scheduling these techniques "into a timed sequence of activity in order to promote effective learning and change (Kilmann, 1989:213).

Once a plan for action is formalised in this stage, managers, members, and consultants will work together to implement it in the following stage.

Scheduling the organisational change first requires a decision on which of the organisation should begin the program (Beckhard and Harris, 1987:118). In scheduling units in the organisation for planned change, it can be suggested that the first unit scheduled should be a primary business unit. The criterion for such a choice is that of credibility : which unit, if it undergoes the change program and is successful, would serve as the best example to the other units that such change is important, necessary, and possible? A plan is then developed that specifies the ways in which the change can be spread. This plan includes not only the order in which the remaining units are scheduled for the change program, but also the supporting mechanisms and procedures (Kilmann, 1989:214).

While the choice of a project to begin the program and the sequence and methods by which other business units participate varies from company to company. What makes each application of a change program different is the particular techniques used. Just as the diagnosis varies for each organisational unit, so does the choice of technique to address each problem. Consultants and managers should be aware of the diversity of techniques that exist (or, can be constructed) so they can choose the ones that best fit the problems in each organisational unit (Huse, 1980:41). After these brief explanations about the "determinants" and "organisational initiator" of change, "intervention strategies" of the organisational initiator will be examined. This includes structure, technology, process and people categories of our organisational change model.

3.3. INTERVENTION STRATEGIES

To manage a change event successfully one must understand the basic elements of change: what is being changed and how the change occurs. In other words, one must understand both the object and the method of change. The term "intervention strategies" is used by Robbins (1990:392) to describe the choice of means by which the change process takes place. Strategies tend to fall into one of four categories: structure, technology, organisational process, and people.

3.3.1. Structure

The structure classification includes changes affecting the distribution of authority, allocation of rewards, alterations in the chain of command, degree of normalisation, and addition or deletion of positions, departments, and divisions. For Dessler (1986:449), a change in the departmentalisation, co-ordination, span of control, or centralisation of decision making in the organisation, i.e. reorganisation, is a relatively direct and quick method for changing an organisation, and the technique is widely used and often effective.

Structure plays important role in the process of planned change. Because much of the planned change that occurs is in the area of structure. When it appears that an organisation must change the obvious place to look is at its structure, in many cases, doing so is appropriate because structure can influence the organisation's ability to carry out all the other functions of management (Gortner, 1987:401).

Managers do not change the structure of an organisation for the purpose of changing. They do so because they want to group two department's tasks more closely, or because they want people whose work closely affects each other's to be better co-ordinated, or because they need decisions to be made by different people, at different levels of the organisation. Changing structure and reorganising is a means by which these and similar changes can be made.

Connor and Lake (1988:64) argue that an organisation's structure is a pattern of relationships that govern the performance of organisational roles. Effecting change structurally therefore involves altering various organisational dimensions. It also entails the creation of specific structural mechanisms. We turn now to these dimensions and specific mechanisms.

3.3.1.1. Changing Structural Dimensions

We can talk about four distinct structural dimensions: complexity, normalisation, centralisation, co-ordination.

3.3.1.1.1. Complexity

What do we mean by the term complexity? Complexity refers to the degree of differentiation that exists within an organisation (Robbins, 1990:83). The complexity of an organisation's structure is reflected in the number of departments, different occupational groups, highly trained specialists, and administrative levels that it has (Connor and Lake, 1988:64). Usually, it is described in terms of the organisation's horizontal, vertical and spatial differentiation.

Horizontal differentiation refers to the degree of differentiation between units based on the orientation of members, the nature of the tasks they perform, and their education and training (Robbins, 1988:83). We can state that the larger number of different occupations within an organisation that require specialised knowledge and skills, the more complex that organisation is. The most visible evidence in organisation's horizontal differentiation is specialisation -particular grouping of activities performed by an individual- and departmentation -creating groups of specialists.

Vertical differentiation refers to the depth of the organisational hierarchy and the depth in structure. Differentiation increases, and hence complexity, as the number of hierarchical levels in the organisation increases. Vertical differentiation may be understood best as a response to an increase in horizontal differentiation. As specialisation expands, it becomes increasingly necessary to co-ordinate tasks (Robbins, 1990:83).

Spatial differentiation refers to the degree to which the location of organisation's offices, plants, and personnel are dispersed geographically.

Changing an organisation's complexity is a common method for changing its ability to innovate. In general, the greater the complexity the more flexible, adoptive, and innovative the organisation can be. In their classic study of three industries Lawrence and Lorsch (1967:28) found that ability to change was clearly related to complexity. Specifically, they found that the more uncertain and changing the industry, the greater were companies' complexity.

3.3.1.1.2. Formalization

Formalization refers to the degree which jobs within the organisation are standardised. If a job is highly formalised, the job incumbent has a minimum

amount of discretion over what is to be done, when it is to be done, and how he or she should do it(Robbins,1990:93).

Generally, high formalisation impedes adaptability and innovation. An organisation that operates under a large number of specific rules will have difficulty changing. The other side of that coin therefore is: If an organisation faces conditions that require a measure of responsiveness, adaptability, or innovation -a measure of changeability, in other words- management would be wise to have as how a degree of formalization as possible.

3.3.1.1.3. Centralisation

Centralisation is the most problematic of that four components. Put simply, centralisation is the degree to which members participate in making decisions (Connor and Lake, 1988:65). The term refers to the degree to which decision making is concentrated at a single point in the organisation. A high concentration implies high centralisation, whereas a low concentration indicates low centralisation or what may be called decentralisation. Robbins with a "pragmatic approach" describes centralisation more specifically as

> the degree to which the formal authority to make discretionary choices is concentrated in an individual, unit or level (usually high in the organisation), thus permitting employees (usually low in the organisation) minimum input into their work (Robbins, 1990:106).

In general, decentralised decision making seems to have a positive impact on innovation, adaptability, and the like (Jackson, 1986:349). Highly centralised organisations tend to be more rigid, less innovative. The reason for this is that decentralised decision making increases the total amount of information available throughout the enterprise. In turn, as more people are involved

decisions can then be based on more knowledge, a greater variety of perspectives, and a wider divergency of ideas.

Moreover we can talk about an indirect effect of decentralisation. Decisions move out of the hands of a "dominant clique or coalition" of powerful people.[5] This not only opens those decisions to more and different input, but it also opens up channels of influence to people outside that coalition (Chu, 1988:14). New ideas, concepts, and proposals now stand a better chance at getting a favourable hearing. And the organisation's ability to change is enhanced.

3.3.1.1.4. Co-ordination

Co-ordination is the process of integrating differentiated resources and activities in a unity effort (Connor and Lake, 1988:66). Organisations use a variety of co-ordination methods. One way to co-ordinate is to use the hierarchy. By his or her position the boss can collect information concerning a variety of subordinates work, put that information together, and form a coherent work plan that will tie it all together in sensible fashion. Management can also design a variety of administrative processes for co-ordination purposes. Rules, schedules, plans and policies are devices that can serve to connect different functions. Moreover, management can establish one or more specific co-ordinating roles.

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[5] The "dominant coalition" refers to that group within an organisation with the power to influence the outcomes of decisions, see Chu, E. C. (1988), "Dominant coalition as a mediating mechanism between the rational model and the political model in organisation theory." Paper presented at Annual Academy of Management Conference, Anaheim, Calif., August, stated in Robbins (1990:251).

In general, an organisation's ability to respond, adapt, innovate -to change- depends on the extent to which it has built co-ordinating mechanisms in its system.

3.3.1.2. Creating Structural Mechanism

Connor and Lake (1988:66) identify two basic modes by which the structure becomes an instrument of change: specifically designed work groups, and separate organisational units.

3.3.1.2.1. Work Groups

Three methods using specific work groups can be identified as an approaches to change: problem solving group, autonomous work teams, and business teams.

Firstly, the **problem -solving group** is established to identify and analyse problems, and then recommend solutions and plans for implementation to management for approval. The members of such groups may undergo training in various problem- solving techniques before the group is able to be effective.

What sort of problems are addressed by such groups? Gorlin and Schein (1984:5) found a wide variety of problems coming under work group's domain. Safety, tool redesign and placement, parts delivery, physical working conditions (lighting, ventilation, and the like), are typical issues dealt with. The result is some sort of change in all cases:

> Work process solutions included efforts to minimise down-time, reduce scrap, decrease defects, reduce inventory, eliminate bottlenecks in the work flow, and improve product quality. Success in these efforts is attributed to the group's ability to change process by such actions as

> altering the rate of machine speed, reorganising an assembly system, and relabeling or renumbering equipment and storage areas to improve visibility and accessibility (Gorlin and Schein, 1984:5).

Secondly, the **autonomous work teams** seem to be the most famous structural form for change adopted by modern organisations. Autonomous work teams have considerable responsibility and opportunity for managing themselves. Generally, they have the ability to implement solutions, not merely recommend them. Determination of work schedules, selection of new team members and even reward and punishment standard is exercised by the team, rather than supervisors.

On the other hand, the **business teams** comprise shop floor representatives to the executive office. Although problem-solving groups and autonomous work teams are horizontal units, in that their memberships are composed of people at the same level in the organisation, business team is vertical. The charge of business team is to contribute to decisions that affect product development. It therefore, gets into issues of new technology, capital expenditures, new equipment, and so forth. Connor and Lake (1988:70) state that large organisations such as, Kaiser Aluminium and General Motors use such a structure. Their function are similar: members engage in product- business planning and thus take on a real responsibility for the future of the product.

3.3.1.2.2. Separate Units

Separation of units that are especially involved in change is an another way that structure can be used in managing change. This separation can be physical, financial, or organisational. Typically, some kind of high-tech firms house their major research efforts in separate research labourites, rather than in their operating departments.

This seems to be a principle in general. Galbraith (1982:11) wrote that if one wants to stimulate new ideas, the odds are better if early efforts to perfect and test new "crazy" ideas are differentiated -that is, separated from the functions of the operating organisation.

Sometimes management decides to start a new work culture. Construction of a new plant that will be especially tailored to encourage change provide such an opportunity because, for example, of the rural settings in which they tend to be located(Gorlin and Schein,1984:9-10). Moreover, through separation of the new plant from the parent organisation facilitates the growing of a change-oriented work force, one that is relatively free from traditional reluctance and resistance to change. But, separation of change-oriented operations is a double-edged sword. On the one hand, it is useful method to establish a change-oriented work force, on the other hand, by its nature separation reduces the ability of a new idea to work its way into the larger organisation As Kaplan and Kaplan (1984:15) stated that making a transition from one organisational structure to another can be a period of intense creativity and progress can be one of disruption, anxiety, and low productivity. The ease with which a transition can be made depends to great extent on management.

3.3.2. Technology

The second of the four intervention strategies is technology. The technology classification encompasses modifications in the equipment that employees use, interdependencies of work activities among employees, and changes that affect the interrelationships between employees and the technical demands of their jobs (Robbins, 1990:392).

The change in technology pertains to the organisation's production process. It is aimed at improving either the organisation's quality or quantity of output. Such change typically involves new equipment or techniques. In this context, technology refers to everything directly associated with the transformation of organisational inputs into outputs, such as work flow design and job design (Porras, Roberts, and Robertson, 1993:620).

As we mentioned above, changing technology, in general, means changing the way in which the organisation's output is produced. For example, many manufacturing companies have turned to a complex computerised system for managing their materials flow. Materials requirement planning (MRP) has changed raw material and finished goods inventories, production schedules, and the way in which materials are ordered and processed[6].

Moreover, systemwide computerisation of a company's manufacturing process is not the only example of such change. At a more personnel level, computers have obviously affected many of us who work in organisations. The introduction of computers in grocery stories is an example of a technological change that we have all experienced. Inventory control, pricing, and checkout are three of the more obvious store functions affected. In any event, the point is clear: computers play an enormous role in changing the way in which a lot of us do business . There is little doubt that technology, and particularly the technology associated with computers is becoming an

[6] For a general, management-oriented discussion of MRP see Haiman, T., Scott, W.G., and Connor, P.E. (1985) Management (5 th eds.) Boston: Houghton Mifflin. More technical descriptions can be found in Wight, O.W. (1981) MRP II: Unlocking America's productivity potential. Boston: CBI Publishing.

integral part of the both contemporary organisations, public and private (Ostrowski, 1987:423).

Computerisation and its companion, automation are examples of only one type of technological change. On a more comprehensive level, the major approach to such change is through job design. According to Connor and Lake (1988:56) job design refers to diagnosing the task, breaking it down into smaller elements, adding functions or responsibilities to it, or changing its social nature.

3.3.2.1. Job Diagnosis

Job diagnosis refers to the examination of a task with a view toward identifying and changing one or more of those characteristics.

The job diagnosis is intended to do two things: first, to diagnose existing jobs before they are redesigned; and second, to evaluate the effects of a redesign. This evaluation is conducted to determine which task characteristics changed and which did not, and to assess the impact of those changes on employees' motivation, satisfaction, and desire for growth (Hackman and Oldham, 1975:169).

Job diagnosis is the initial step in a systematic, managed, job redesign effort. Once the diagnosis of present conditions has been made, a change toward future conditions can be implemented. This implementation can take place through several means. Job engineering, job rotation, job enlargement, job enrichment, and changing job relations are the most usual.

3.3.2.2. Job Engineering

Job engineering is concerned with three things: first, physical conditions of work; second, planning and control of production; and third, precise valuation of the process and its output (Connor and Lake, 1988:58).

Warrick (1984:38) pointed out the primary job engineering methods used to improve motivation and productivity as (a) defining the specific duties of the job, (b)defining and designing work flow, (c)establishing performance standarts;and (d)designing the layout of the workplace.

3.3.2.3. Job Rotation

If management wants to increase variety in the worker's job, they may decide to do so by rotating jobs. At its simplest level, job rotation merely involves two or more workers exchanging jobs on some regular basis.

The reasoning behind this method is straightforward: performing several jobs, even if they are simple and routine, will add to workers' task variety, reduce boredom, and enlarge their skill. Practical experience with job rotation shows little positive impact on the task characteristics. The best that probably can happen is that monotony and boredom may be relieved for a short time. It is a short-term technological method for change (Warrick, 1984:38).

3.3.2.4. Job Enlargement

If management wants to change the scope of a particular worker's tasks, the more than a mere exchange of routine jobs is necessary. Instead, more tasks of similar type are added to the original set of tasks. This method of redesign is called job enlargement.

Like job rotation, this method of technological change is essentially limited. "Moving from one routine, monotonous task to a different routine, monotonous task is still not likely to add all that much true variety and stimulation to the work" (Connor and Lake, 1988:60).

3.3.2.5. Job Enrichment

Job enrichment is a change method that gives workers more involvement in and control over the planning and evaluation of the job, not just the performing of it.

If an individual can plan the job, perform it in some manner that he or she has determined is best, and has an opportunity to evaluate the results it is likely that his or her sense of identification with the job will increase.

3.3.2.6. Changing Job Relations

Changing job relations is the final technological method of change. This method involves various relationships that the worker experiences, and particularly is concerned with the relationship of the worker to his or her range of job activities, to the job's customer or client, and to the evaluation of the work. It is possible to indicate three ways to organise an employee's work.

One of the ways is to **form meaningful task clusters.** The intent here is to provide a worker a "whole" job, rather than an isolated part of one. Another method of changing the work is to **establish client_relationships** for the employee. The aim is to give the workers contact with the users of their product. In this way the employee can develop an enhanced view of what part

his or her work plays in the organisation, how that work is used by someone else, and how that work is being assessed by those who do use it. Finally, jobs can be changed by **opening feedback channels**. This means changing the information flow of the work. Specifically, it means giving the employee better data-more direct, more comprehensive, and more timely-about his or her performance(Miles, 1980:452).

Changing the way in which production process are conducted is a complex task. The impacts are equally complex. Not only may the physical characteristics of work stations be altered, but the people themselves can also be affected. The task of change managers is to make that effect as positive as possible .

3.3.3. Organisational Processes

Managers frequently want to change basic organisational processes. We obviously cannot examine here every type of process that occurs in mast organisations. However, we can single out some especially important ones: control, appraisal and decision process.

3.3.3.1. Control Process

The essence of control is to ensure that planned actions take place as they are supposed to. "Control favours stability, order, and predictability" (Robbins, 1990:69). This assurance takes two forms, pre-emptive and reactive.

Pre-emptive control is anticipatory; it involves attempts to influence the organisation's environment, to shape its direction. Change attempts therefore may be aimed at such influencing and shaping methods. Advertising, for

example, which is used to influence consumers' attitudes toward the company's products, may be an object of change. **Reactive control** is regulatory; it focuses on operations and their deviation from standards. Once standards, objectives, and policies are established the reactive control system is in operation.

Moreover, at a broader level, an organisation-wide control system may be changed. For instance, in the past decade, many companies and public agencies have introduced so called management-by-objectivities (MBO) programs. The purpose of such programs is to ensure that managers set the specific measurable goals, monitor progress toward these goals and assign rewards based on that progress (Haiman, Scott, and Connor, 1985:483)

3.3.3.2. Reward Processes

One of the most significant ways in which an organisation and its members can be affected is to change the reward system. Who gets rewarded, for what behaviour, and how are all crucial matters to most members of most organisation. This is especially true for organisations that use remuneration as a basis of control and whose members obey primarily for utilitarian reasons. Profit sharing has been combined with an incentive pay system to affect both total employee pay and satisfaction in generally.

3.3.3.3. Appraisal Processes

If an organisation's reward system is to be effective object of change, the appraisal process must be included in the change effort. That is, if people are going to be rewarded differently-on the basis of different criteria, or for

different behaviour- then those criteria need to be applied properly and the behaviour must be assessed accurately .

The more the appraisals and rewards of management emphasise the separate performance of each department rather than their combined performance, the greater the conflict. The evidence of this can be seen in organisations all the time. Line-staff conflicts can also stem from differing appraisal criteria and reward systems (Robbins,1990:393).

The point is that instituting a new appraisal process may well involve changing more than procedure; it may require changing basic managerial philosophy .

3.3.3.4. Decision Making Process

Decision making in organisations is presented traditionally as the making of choices. After developing and evaluating at least two alternatives, the decision maker chooses a preferred alternative. From the organisational perspective the making of a choice is only step in a larger process (Robbins, 1990:108).

Within the last years, however, different views have been emerging. According to power-control perspective advocators decision makers don't follow the traditional decision making process. Their decisions are neither consistent nor value maximising; hence, they don't meet the definition of rational. Power-control supporters are offering another set of assumptions about organisational decision-making process. They are proposing a process

characterised by nonrationality, divergent interests, dominant coalitions, and power[7] (Robbins, 1990:247).

Another way to say this is that people who have divergent interests or people who are the members of different dominant coalitions in an organisation exercise different types of influence.

Since decision-making is central to organisational functioning, changing it is critical to organisational effectiveness. And changing may mean anything from altering basic resource distribution criteria to revising the way that task assignments are made.

A way in which decision-process can be the object of a change effort is by altering the decision rule used. That is, when several people join in making decision, they tend to follow some basic governing rule. Thus, when decision process are made may be the specific object. Different decision rules affect both the decision's quality and people's acceptance of it; therefore changing the rule may well change important aspects of the decision process (Connor and Lake, 1988:36)

3.3.4. People

The people classification includes the individual and group characteristics of the people in an organisation, the actions of individuals and groups in organisational settings and the values that are the basis for action by both individuals and groups - that is, organisational culture (Gortner,1987:395). The catchall name for the field is "organisation development".

[7] For power-control perspective see footnote 4.

Organisation development (OD) has received considerable attention in both the private and public sectors. No single definition for OD exists. French and Bell defined it as;

> a long-range effort to improve an organisation's problem solving and renewal process, particularly through a more effective and collaborative management of organisation culture (...) and the use of the theory and technology of applied behavioural science (...)(French and Bell, 1984:14).

Despite the contention that OD can effect structural and technological change, its primary focus is on people, changing their attitudes, values, and behaviour. In essence, education and training also refer to activities that are aimed at upgrading people's knowledge, skills, and even beliefs. Probably the earliest form of such activities was known as "Human Relations Training" (Miles,1980:443-44). Following the research known as the Hawthorne Studies, so called human relations programs were designed. The intent of such programs was to make managers more sympathetic to and considerate of workers' needs and wants. Today, education and training programs cover everything from managing stress to time management.

Perhaps most organisations have people who serve as education and training officers, some formally and some informally. Moreover many organisations have education and training departments In fact, such departments have become one of the mechanisms for implementing change through people.

On the other hand, other mechanism OD, relies heavily on T-groups and survey research and feedback to change people's attitudes, values, and behaviour. According to Gortner (1987:397), OD field has developed from these two important techniques. T-groups (or laboratory-training, or sensitivity training groups) are composed of strangers who come together

temporarily for the experience and learning that could be gained. They involve unstructured meetings, usually lasting for a few days to several weeks, with little in the way of agenda, expect to help members learn about themselves and each other. T-groups were especially popular in the 1960s and early 1970s; they seem to have decline significantly since then, however, probably difficulty of a number of unhappy experiences with them and the difficulty of transferring their learning back into the organisation (Das,1990:497).

In survey research and feedback, data are collected about some issue facing a group or work unit. Usually, questionnaires and interviews are the major data source. The validity of survey research and feedback depends on these carefully constructed questionnaires. By this technique, what people believe and feel about the organisation, its objectives, and its members' values and behaviour can be found.

From these two basic techniques - laboratory training and survey research and feedback- a lot of programs that attempt to *intervene* in the ongoing organisation and to change behaviour and values of individuals and groups have generated. Thus we call them as OD *interventions*. Golembiewski, Proehl, and Sink (1981: 680) who are the strongest proponents and practitioners of public sector OD, classify these interventions into eight groupings according to the level of complexity.

1- Process analysis activities, or applications of behavioural science perspectives to understand complex and dynamic situations.

2- Skill-building activities, or various designs for gaining facility with behaviours consistent with OD values, as listening, and resolving conflict.

3- Diagnostic activities, which often include process analysis, but which also may employ interviews, or opinion surveys.

4- Coaching and counselling activities, which seek to apply OD values in intimate situations.

5- Team-building activities, or efforts to increase the efficiency and effectiveness of intact task groups.

6- Inter-group activities, which seek to build effective and satisfying linkages between two or more task groups, such as departments in a large organisation.

7- Technostructural activities, which seek to build need-satisfying roles, jobs, and structures.

8- System-building or system renewal activities, which seek comprehensive changes in a large organisation's climate and values, using complex combinations of the seven activities sketched above, and may take three to five years to implement.

3.3.4.1. Changing Organisational Culture

At this stage of our study our intent is to discuss changing organisational culture before examining debates about validity of OD.

In 1982, one of the most influential books of the past several years was published. Peter and Waterman's In search of Excellence (1982) made one major point. This was that companies that enjoy excellent management have one thing in common: a shared understanding of what their value system is,

what their company stands for. The authors actually identify one important thing for us: the broadest aspect of an enterprise that may be candidate for change is its culture. We discuss this aspect by first defining the term, then describing its features.

3.3.4.1.1. What is Organisational Culture?

There are several definitions of organisational culture. It has been described, for example, as "the dominant values espoused by an organisation" (Deal and Kennedy, 1982:149), "the basic assumptions and beliefs that are shared by members of an organisations" (Schein, 1985:42), and "the behavioural patterns, concepts, values, ceremonies and rituals that take place in the organisation" (Daft, 1983:482). There is a central theme at these definitions: organisational culture refers to system of shared meaning. Evolution of beliefs, symbols, myths and rituals over time creates common understanding among members of an organisation about what organisation is and how its members should behave.

3.3.4.1.2. Features of Organisational Culture

If culture exist and we argue that it does, its distinct dimension should be defined. We specify mainly two features of organisational culture: organisational values and norms.

Organisational Values are ideals, either explicit or implicit, that guide or affect the choices that one makes. This definition can be applied equally to individuals, communities, and organisations. Organisational values are therefore shared ideals that guide organisational choice behaviour. Of course, we do not try to identify and discuss every value relevant to organisational

culture. We can classify the values that people share, that construct an organisation's value system into two categories, performance and people.

Performance-related values "concern the orientation of the organisation to productivity." On the other hand, people-related values "have to do with the social and personal qualities of the enterprise" (Connor and Lake, 1988:43). Competency that is, an idea that excellent performance is the goal of all employees, determination, that is, end-goal orientation are the examples of performance-related values. We can identify co-operation that is, a manager's sharing of time, resources, and information with another; supportiveness that is, manager's appreciation of organisations as a supporter, rather than as judge; and dependability that is, being reliable and trustworthy as the examples of people-related values.

Organisational Norms are the second major element of organisational culture. It is the set of norms that guide member's behaviour. Basically, norms are rules or codes that indicate proper and improper action; they provide guides for playing the organisational game. They describe what is really important in the organisation, what behaviour will get someone in trouble, and what will get one ahead. In organisations there can be thousands of norms. In other words, norms cover a wide spectrum of behaviour. There is, however, a common distinction, often referred to as task versus people orientations. They can be distinguished as to whether they guide the technical aspects of work or guide social and interpersonal relationship.

Four major categories of norms that shape an organisational culture have been identified and studied by Kilmann (1984:109-116). Firstly, task support norms guide people's behaviour toward each other in a technical dimension.

Management may wish to change task support norms because of a change in technology. Secondly, task innovation norms are also technical in nature. Such norms guide people with respect to experimentation. Organisations which survive in an changing environment should encourage its people to try out new ideas and introduce and reinforce a norm of innovation. Thirdly, social relationship norms refer to the organisation's social dimension. They guide people's interpersonal behaviour. Personal freedom is the fourth category of norms identified by Kilmann. These norms also concern the social aspects of organisational life. They govern the degree of personal autonomy that individuals enjoy in organisation.

Despite of these explanations of features of organisational culture, there is one more problem: neither of these concepts is very concrete. How does one tell what the culture of an organisation is? We can mention four major indicators that one can use: stories, rites, language, and symbols. Organisational stories are usually narrations about how people reacted at a particular time to a particular set of circumstances. Rites, indicate what is really important. Organisations have their own language. Vocabularies of this language contain words that convey meanings inside the organisation that they would not have outside. Finally, corporate logos, slogans and mascots are examples of symbols. They provide the most explicit indicator of organisational culture(Connor and Lake,1988:48-50).

These indicators of organisational culture have important implications for organisational change. By recognising the importance of these elements managers can design more effective change programs. As Deal and Kennedy put it:

> When we speak of(...)cultural change we mean real change in the behaviour of people throughout the organisation. In a technical sense we mean people in the organisation telling different stories to one another to explain what is occurring around them. We mean people spending their time differently on a day to day basis.. This behaviour is pervasive and involves virtually all the people in the organisation"(Deal and Kennedy, 1982:158).

3.3.4.2. Critics of Organisation Development

Changing people in organisations raise inevitably several debates and questions for the validity of this change. Because, this type of change is unquestionably value laden and based on the assumption that only one right and acceptable set of values exist. The values underlying OD interventions must be accepted by participants; if they do not accept those values, for example, through survey research and feedback, they can have no place in the organisation. If scientific management was authoritarian in its approach, OD is totalitarian. Frederick Taylor was satisfied if he could control the physical movements of the workers; OD wants their hearts and minds(Heffron,1989:161). On the other hand, there is no empirical evidence to prove that OD works. Even strongest proponents of OD have been unable to provide evidence that OD has brought about change in the organisation that have attempted to use it (Gabris, 1983:182).

Beyond this, even when OD technically works perfectly, there is no guarantee that it accomplishes the ends desired by the larger people. In addition, there is a fine line between attempting to motivate workers by helping them to change their values and behaviour and manipulating workers through external control. Thus, when OD is applied, it is essential to understand the difference between motivation and manipulation.

Another problem is that even when OD is applied in an appropriate manner, there is possibility of "fade out" as time passes, and new actors enter the organisation.

In consequently, the literature on OD is normative. It strongly emphasis improving the quality of working life of organisational members. It takes little explicit account of the wider set of factors that determine organisational change and it is not enough and suitable basis for arriving at more understanding of the organisational change phenomena. While values and behaviours may play an important role in the overall change and development of organisations, they are only one part of a larger mosaic. The other parts must also be considered if any meaningful picture of what occurs (Faucheux, Amado, and Laurent, 1982:345).

3.4. IMPLEMENTATION

Referring to Figure 3-1, once forces for initiating change exist, someone has assumed the change-agent role, and it has been determined what it is to be changed, we need to consider how to implement the change. The how refers to the tactics use by the agent to implement the change process. We begin by looking at the steps in the change process. Then we turn our attention to implementation tactics.

3.4.1. Change Process

Kurt Lewin's (1951) classic model of change process is one of the simplest and most useful: successful change requires unfreezing the status quo, moving to a new state, and refreezing the change to make it permanent. For Robbins (1990:393), the recognition of that the mere introduction of change

does not ensure either the elimination of the prechange condition or the fact that the change will prove to be enduring is implicit in this three-step change process.

Unfreezing means disturbing the equilibrium of the organisation to make the organisation ready and willing to change. The status quo can be considered an equilibrium state. To move from this equilibrium unfreezing in necessary. But, how can we achieve unfreezing? The answer of this question lies in the "force-field analysis". This is one of the more powerful tools for helping to manage change process. The theory is that "in any change situation there are 'driving' and 'restraining' forces" (Glass, 1991:74). The driving forces are those which favour the change, the restraining forces are those which oppose it. To move from equilibrium can be achieved in one of three ways: the driving forces can be increased, the restraining forces can be decreased and we can combine the first two approaches. For example, to deal with expected or unexpected resistance to change management can use positive incentives as driving forces to encourage employees to accept the change. On the other hand, by removing restraining forces management can choose to unfreeze acceptance of the status quo. For instance, employees can be counselled individually. By this way change agent can assure the employees that there is nothing to fear and resist and then demonstrate, through tangible evidence, that restraining forces are unwarranted. If there is extremely high resistance management can combine the both approaches.

Once unfreezing has been identified and accomplished, the programmatic change itself can be implemented. This is where the change agent introduces one or more intervention strategies - structure, technology, organisational

processes, and people. In reality, there is no clear line separating unfreezing and moving. Many of the efforts made to unfreeze the status quo may introduce change. So the tactics that the change agent uses for dealing with resistance may work on unfreezing and/or moving. We will discuss the resistance to change in next section in detail.

Once the change effort is implemented, it must be refrozen so that it can be sustained over time. The change will be short-lived and employees will attempt to return to prior equilibrium state if refreezing is not attended. The objective of refreezing, then, is to stabilise the new situation by balancing the driving and restraining forces. The change agent do refreezing by systematic replacement of the temporary forces with permanent ones. This, actually, means formalising the driving or restraining forces (Robbins, 1990:396). To achieve that, the formal rules and regulations governing behaviour of those affected by the change should be revised to reinforce the new situation. Unless stabilising the new situation to expect quick and dramatic positive results is not true. This sort of premature evaluations of change can be used both to prove its effectiveness and to mute resistance and conflict. However, the earlier the evaluation is made, the more likely is that the lack of valid output measures makes it extremely difficult to prove a change has had a positive impact (Heffron, 1989:156). Then, can we find key factors that determine the degree to which a change will become permanent? The answer is yes. According to Goodman, Bazerman and Conlon (1980:231-42) we can identify a number of relevant factors. The reward allocation system, for example, is critical. If it is expected that the change is to be long-lived, rewards should not fall short of expectation over time. Secondly, the support

of a sponsor, which provides legitimacy to the change, is needed. There might be strong pressures to return to old equilibrium state if once sponsorship is withdrawn from a change project. Thirdly, failure to transmit information on expectations should reduce the degree of refreezing, because people need to know what is expected of them as a result of the change. Fourthly, as employees become aware that others in their group accept the change, they became more comfortable with it. Therefore, group forces is another important factor. And, fifthly, change is likely to become permanent if it is implemented in a singular unit of the organisation. The more diffusion in the change effort, the more units that will be affected and the greater legitimacy the effort will carry.

Successful implementation of change is a complex and difficult process and requires careful balancing of the system. All changes will have on impact outside the area in which they were implemented. No change can take place in a vacuum. Above factors remind us that the organisation is a system. Moreover, as Goodstein and Burke (1993:170) rightly state "..moving from a known present state to a desired future state (...) requires careful management, especially when the planned organisational change is large and complex." Because, unfortunately, the change process is not smooth as Lewin's model of change.

3.4.1.1. Resistance to Change

Although change is universal and inevitable, it is rarely received without resistance. People resist change. This is a natural human reaction. Resistance to change or the opposition of concerned individuals to the proposed change accounts for the failure of many change attempts. On the other hand, some

organisation theorists suggest that although persons resent and/or resist a particular change, there are many reasons to accept and/or welcome a particular change (Kirkpatrick, 1985:85). The fact is that often what people do resist is not change itself, but the way it is introduced.

Organisation theorists use different types of classification that attempt to explain why people resist (or welcome) change. For example, according to Das (1990:467), the most basic reasons for resistance are individual-related and group-related. Individual-related reasons involve fear of the unknown, lack of trust, need for security, low tolerance of change, lack of understanding of the implications of change. On the other hand, differing perceptions of the meaning and consequences of change, parochial self interest, friendship cliques, and political coalitions are the examples of the group-related reasons. Glass (1991:65) analyse the reasons resistance to occurs by using the model of people acting on three levels - rational, emotional, and political. For Glass, resistance to change come from a range of rational and irrational sources and is often rooted deep in people's feelings and beliefs. This make critical that leader of an organisation invest "time and energy" in the process of change as well as "content." On the other hand, Kirkpatrick (1985:92) focuses not only on reasons why employees may react negatively to change but on some of the reasons for positive reaction to change. According to Kirkpatrick, some of the reasons have to do with the personal loss or gain that will result from the change. Some of them are "tangible" such as money, working conditions, and authority. Others, are "intangible" such as status, recognition, and feelings of importance and security. Acceptance or resistance will depend to a large extent on what

people expect will happen. The most significant reason why people will accept or resist a change is related to the word participation.

As Bedeian and Zammuto (1991:554) put it, reasons are varied and often difficult to determine. Whether soundly based or not, however, resistance should always be considered an important signal for further inquiry. Whatever the source, individual resistance to change must be overcome for implementation of a change to be successful.

3.4.1.2. Overcoming Resistance to Change

Regardless of the intervention strategy by which the change process takes place, resistance to change must be anticipated and techniques should be selected for minimising it. For Nadler (1993:90), implication of the problem of resistance to change is to motivate change by several "action steps" such as, to identify and surface dissatisfaction with the current state, and to build in participation and rewards in the change.

On the other hand, there are more clear tactics that managers or change agents can use for dealing with resistance to change. Kotter, Schlesinger, and Sathe(1986:354) suggest that one or more of the following tactic should be used for to deal with it.

Firstly, **education and communication** are essential in all change situations. If people who will be affected and must implement the change do not understand it, little positive change is likely to result. When resistance is caused by lack of information an effective tactic is to provide additional information. This tactic helps people to see the logic of a change(Robbins1990:395).

Secondly,**participation and involvement** in many instances, reduce opposition and foster commitment. This approach is useful when those who initiate the change do not have all the information necessary to plan and implement change. As a tactic, participation involves open communication among all parties involved. It is assumed that all parties possess the required expertise to contribute meaningfully. It is difficult for individuals to resist a change decision in which they have participated (Glass,1991:73). Thirdly, **facilitation and support** involves providing employee a range of supportive efforts such as, counselling and therapy or new skills training especially when resistance is based on fear and anxiety. This approach also can be very time-consuming and expensive and there is no guarantee for success.

Fourthly, **negotiation** is another tactic for dealing with resistance to change. It involves bargaining and negotiating to reach an agreement. This tactic is particularly appropriate in situations where some individual or group has considerable power to resist. A negotiating approach recognises political reality of most organisations. As noted, negotiation may result in focusing organisational resources on political activities rather than focusing on the achievement of change. Fifth tactic involves **manipulation and co-optation.** In the present context, manipulation means the use of covert attempts to side-step potential resistance to change. Manipulation goes beyond persuasion (Bedeian and Zammuto, 1991:561). It may involve selective distortion of information, conscious selection of facts, and giving opposing individuals or groups incomplete knowledge. On the other hand, co-optation is the absorption of key resisters into the power structure; the resisters gain status and prestige in exchange for endorsing the planned change (Robbins,

1990:395). Unlike participation, co-optation seeks only an individual's or group's endorsement, not advice.

Coercion is the last resort in most instances before abandoning the change effort, if all else fails. This tactic is used by threatening employees with loss of jobs or promotions, or by firing or transferring them and with negative performance evaluations (Daft, 1992:273). To use this method, the change agent implementing change must be powerful within the organisation. It will almost inevitably generate hostility in those who have been its subjects.

In real-life, the six approaches discussed above are not used independently; a combination of strategies are used to overcome resistance to change. As Glass (1991:73) suggest that, however, it may be useful for managers to think through whether they have made sufficient effort to use the first three styles before they move to the latter three.

3.4.2. Implementation Tactics

In the implementation stage, the decision of what tactics should be used to install the planned change is very important. Because managers use implementation to make planned changes in organisations by creating environments in which changes can survive and take root. Implementation, therefore, can be defined as "a procedure directed by a manager to install planned change in an organisation" (Nutt,1986:233). In the installation of planned change managers use different procedures that lays out steps taken to entice stakeholders to support these changes. A coherent set of these steps becomes a tactic used by managers to elicit the support and co-operation needed to insure compliance with planned changes (Nutt, 1986:234).

It is clear from these definitions that how responsible agents regulate and control change process must be understood first of all, in order to determine how managers who sponsor changes promote compliance. Because steps taken to promote compliance can be found in any stage of a change process. For this aim, Nutt (1986:234) employs a Transactional Planned Change model (shown in Figure 3-3). This model shows the planned change process as a series of transactions, instead of static events. The arrows in Figure 3-3 show the direction of information flow between a "sponsor-manager" in the "decision mode" and a "support team" in the "developmental mode." Support teams can include technical staff, other managers or even sponsors acting as their own technical advisors. The make-up of support teams working in the developmental mode can shift every process stage, or a fixed relationship, such as sponsor-controller can be maintained throughout a change process. Development can involve assessing environments, analysing causal factors lying behind poor performance; offering ways to restructure products or services that overcome performance problems.

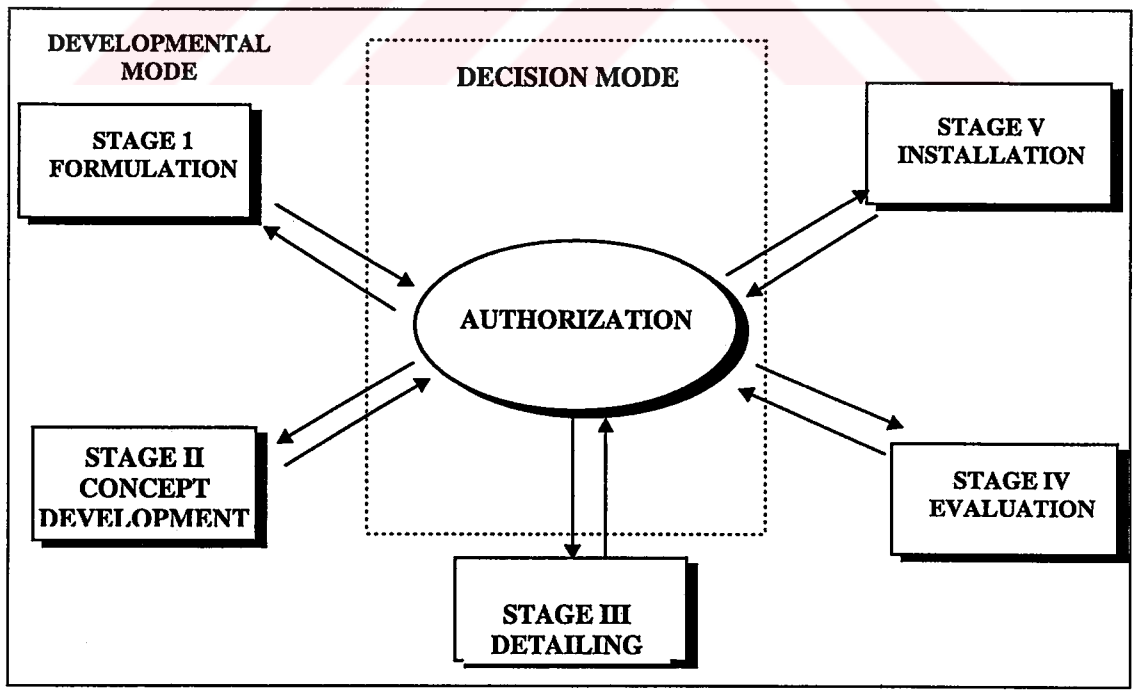

FIGURE 3 -3 Nutt's Transactional Planned Change Model (adapted from Nutt, 1986, p. 235).

Regarding transactions within this model Nutt (1986:235) states that in formulation, stage I, a support team in the developmental mode identifies problems and proposes objectives. In stage II, concept development, a sponsor states his or her premises, which identify ways to deal with the problems or respond to the objectives identified in stage I. The support team responds by offering one or more options, which the sponsor considers. In stage III, some of the options are selected to be detailed and offered to the sponsor, who tests them for omissions, misconceptions, and errors. Alternatives that can be modified to overcome the sponsor's objections are subject to evaluation in stage IV. In the installation stage the sponsor-manager applies tools such as rewards and incentives, personnel selection and promotion, resource allocation, sanctions, co-ordination, and delegation to put changes into operation. The model is transactional because, it identifies information that supports teams report when carrying out each stage of a change process. Managers receive this information and make decisions as change process evolve. They take action through these decisions.

After these explanations we can look at implementation tactics more in detail. Nutt's (1986:241) research has identified four tactics that change agents use: intervention, participation, persuasion, and edict.

The use of **intervention** tactic is characterised by change agents selling their change rationale to those who will be affected (Robbins,1990:397). Change agents using the intervention tactic are quite good at creating new norms because they argue that current performance is inadequate. They offer new definitions of acceptable performance, justify these new norms, and show how practice could be improved. In this tactic, change agents using the

intervention tactic form task forces that often ideas or act as "sounding boards". Task forces provide commentaries on changes as they evolved. However, change agents retain the power to veto these recommendations.

The origins of **participation** as an implementation tactic can be traced to the approach that people react more favourably and become more committed when they participate in change process than when they do not. In this tactic, change agents delegate the implementation decision to those who will be affected. To use participation, change agents initiate change process by stipulating needs or opportunities, and then create a task force to do the job. At this stage change agents identify stakeholders, delegate responsibility with a statement of expectations and constraints, and assign staff support. The task force is given full responsibility by change agents who use this tactic. Change agents exercise no veto power over its decision (Robbins,1990:397).

In implementation by **persuasion**, change agents make little effort to manage change process and monitor their progress and abdicate the decision to experts due to disinterest, lack of knowledge or feel others can handle the job better. They take a relatively passive role and what they do is to allow interested internal staff- or qualified outside experts - to present their ideas for bringing about change. At this point, the internal or external experts who present products for approval attempt "to sell" options that performed best using persuasion. Change agents become active only after "sales pitches had been made" and often demand extensive documentation of benefits.

Implementation by **edict**, the final tactic, involves change agents' using control and personal power while avoiding any form of participation. Change agents make their change decision unilaterally. This tactic has three key

features, according to Nutt (1986:250): first, change agents' control of change processes are intermittent with no common theme. Second, change agents do not discuss changes with users or attempt to rationalise the need for changes; they expect user compliance. Third, change agents issue adaptation directives by managerial fiat.

Nutt's (1986:242) study found persuasion to be most widely used, occurring in 42 percent of ninety-one cases that he has studied. Edict was the next most popular with 23 percent. Intervention and participation had frequency of use with 19 and 17 percent, respectively.

To this point, we have examined several steps of planned change. At the last section of our change model we will focus on evaluating the change results.

3.5. EVALUATING RESULTS

As we have seen, planned organisational change follows a logical and fixed pattern: recognising a problem, gathering data, making a diagnosis, planning a change action, implementing changes, and evaluating the results. Evaluation will be derived from some data that, among other things, may be in the categories economic, human, financial, effectiveness, quality, marketing, productivity or any combination of these.

However, it is not true that change agents always complete these stages, particularly that of evaluation. Lippitt (1985:119) says that in an examination of some 160 change interventions, only 20 evaluation research studies that assessed organisational and work group change was founded.

Can the dynamics of organisation processes be evaluated effectively, because they are complex and difficult to study? The answer of this question is yes, they can, if an appropriate evaluation is incorporated into the overall change plan. This means, inescapably, the evaluation plans must be a part of the initial planning stage that establishes the change process (Kilmann,1989:225). But then organisational initiators of such processes need to ask themselves a few searching questions about evaluation: What should be evaluated? Why is it important? What will be gained from measuring results? How will the evaluation be accomplished, and who will do it? Who will collect the data and perform the analysis? What will be the time and money costs? What already existing data sources are available? This sort of decision inevitably must be made as to whether to undertake the additional effort and expenditure of comprehensive evaluation of what has or has not been attained by an implemented change process. Although an evaluation is closer to the subjective end of the spectrum than to the scientific end, it takes place before, during, and after any kind of change process.

What can be within the possible reasons of lack of evaluation efforts? Lippit (1985:119) states some negative factors for evaluation such as lack of time and funds, inadequate frame of reference, and inability to develop measurable objectives for which the change was attempted, and lack of effective research methods and tools. It is interesting, of course, to observe a failure in establishing "a frame of reference or criteria" to conduct an evaluation research. That's why, Lippitt (1985:134) develops a model for evaluation process to overcome failure in establishing frame of reference. Figure 3-4 illustrates this model. **Evaluation areas**, in this model, categorises change

interventions human process interventions, and multifaceted approaches. Structural changes such as in the degree of complexity of organisations and technological changes such as job design are involved in technological and structural interventions. On the other hand, human process interventions consist of education and training of people or other OD activities. Finally, multi-faceted approaches can be any combination of first two interventions or combination of these interventions with other interventions. Multifaceted approaches category is fitting in our study as intervention strategies of technology, structure, process and people.

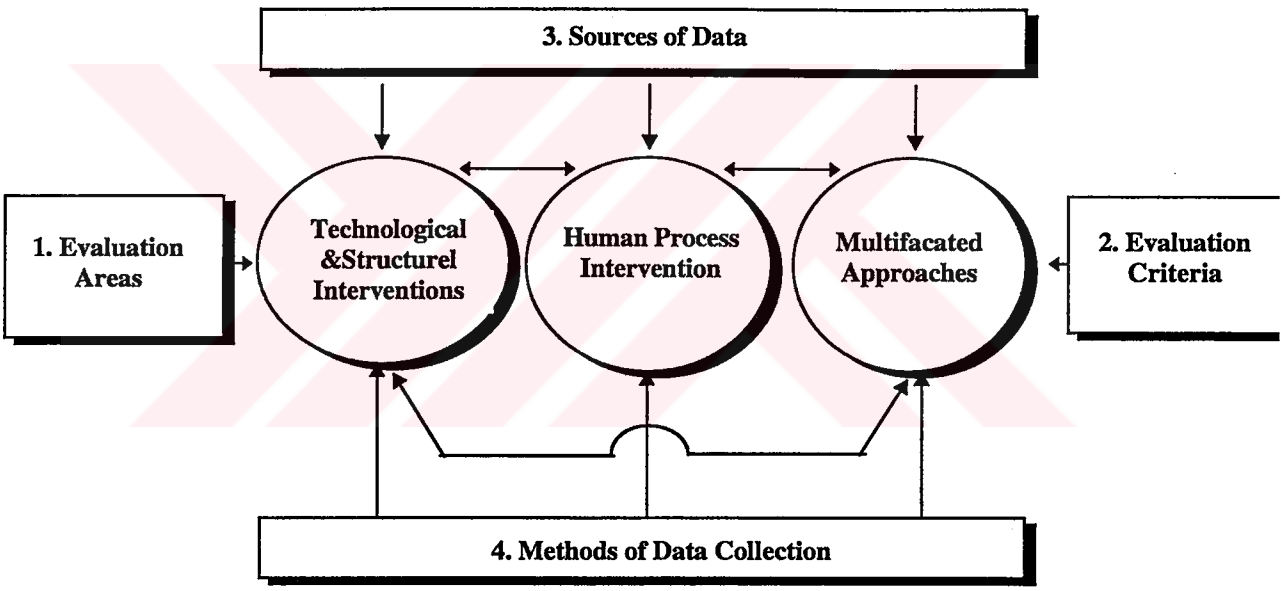

FIGURE 3 -4 Lippitt's Model for Evaluation Process (adapted from Lippitt, 1985, p.134.)

Evaluation criteria category of model points up the issue of whether evaluation focus on "soft" and/or "hard" measurement criteria. Soft criteria usually are obtained from interviews, observations, and written survey instruments, on the other hand, hard criteria usually are taken from administrative records. **Methods of data collection** reveals five sources

of evaluative information are most frequently used: first, observation of individual, group and/or systems; second, questionnaires especially designed or in standard format that seek written responses concerning attitudes, viewpoints, opinions, and perceptions; third, interviews that involve face to face or telephone conversations that produce in-depth perceptions, concrete examples, expressed feeling, and ideas; forth, documentation includes extractions from current records; and fifth, instruments consisting primarily feedback collecting methodologies. Finally, evaluative information can be obtained from different **sources of data** such as managers, support groups, clients, consultants or employees.

Lastly, it must be noted that there are important differences in results measurement, or more truly, in evaluation purposes. This difference stems from a valuable distinction among four kind of data collection purposes (or methodologies): **implementation research**, which focuses on finding solutions to specific organisation problems; **assessment research**, which deals not only with outcome measurement but also with the process that produced it; **theory-building research**, which is oriented toward discovering fundamental relationships existing in a planned change; and **evaluative research**, which is concerned with the impress of a change intervention in terms of a total environment (Lippitt,1985:123).

Regardless of outcome, as Robbins (1990:398) puts out, our model for understanding organisational change is dynamic. The need for change is continuous, hence the need for the feedback loop. New forces will be working to make additional changes necessary. Our change model, therefore, is never at rest.

4. CASE STUDY OF SIVAS AND ÇORUM CEMENT FACTORIES

In so far, the theoretical framework and dynamic model for organisational change and associated conceptual elements have been summarised. And now, in the next sections of study we will illustrate them by using a specific case study. Scope, research methods and a brief description of the case history will be outlined and the case material then will be used to illustrate the theoretical ideas presented in the previous sections.

4.1. SCOPE AND METHODS

Organisational problems can be solved if we can begin to understand them. The main reason for our developing organisational change theory and model is try to explain unexplained phenomena, and the hope that it will lead to improvements in the conceptualisation of organisational change theory and practice in Turkey. The ability to change organisations systematically is dependent on the ability to understand. After all, a good theory ought to be useful. Studying organisational change and developing a model help us understand by specifying what to look for and how to organise and use what we find.

Within these principles, we conducted a particular case study. The scope of the case is restricted with Sivas and Çorum cement factories. They became part of Yibitaş Holding Inc. Co. by a privatisation effort in 1992. These factories have been at the stage of "post-privatisation" period. In the context of developed framework and model, what was changed after the privatisation was examined in the case. There were several factors for preferring these factories; first of all, it was thought that enough time which permits examination of the changes and current situation of factories went on. Additionally, privatisation was (and still is) one of the most important determinants for public organisational change in Turkey.

In order to reach general objectives of case study we obtained information about the nature of important changes in Sivas and Çorum cement factories through observations in one of the factories -in Çorum- and by interviews with top managers of Yibitaş Holding or with another member of the management team identified by the top managers as qualified to provide this information (for the list of key informants who were interviewed in the case study, see Appendix). Top managers or other key informants were asked to very briefly describe to the interviewer each of the important changes that occurred after the privatisation in 1992.

There were several reasons to choose the top managers, instead of workers, as the key informants when studying organisational change in the factories. One of them was that the top managers have the most valuable information about important organisational changes. Workers or low-level managers because of their more limited responsibilities were not well informed about particular

changes. Moreover, different workers of different units in factories were likely to be biased in their assessment of organisational changes.

As soon as the interviews were completed, all of them were written up and a content analysis was performed in order to delineate the impacts of privatisation on these organisations. Because the headquarters of Yibitaş Holding was in Ankara, it was thought that important problems and barriers were not faced in obtaining data.

4.2. CASE HISTORY[8]

It seems that it is essential to gain an understanding of the history of existing systems at the factories. With respect to our case study it is of key importance to see the Sivas and Çorum factories in their broader contexts.

The Turkish cement industry started to contribute to the national economy with the establishment of the first cement factory in 1921 at Darıca, İstanbul. Later, in 1923, this plant was extended and the capacity was increased. By the 1950s, after the Second World War, four new plants were in existence in Ankara, Zeytinburnu (İstanbul), Kartal (İstanbul), and Sivas. However, in 1953, the cement industry gained a new direction by the establishment of Turkish Cement Industries Co. (ÇİSAN) with a capital of TL 50 millions as a public economic enterprise to produce cement in order to meet the increasing demands in the various regions with minimum transportation costs. With the erection and operation of new factories at different regions of the country, the capacity has been increased rapidly which, in turn, has contributed much to the development of the domestic economy.

[8] Substance of the following explanations and data is gathered from "Türkiye Çimento ve Toprak Sanayii T. A. Ş. " in, Nuh Dünyası (1995:20-22).

The area of activities of ÇİSAN enlarged after the incorporation of some of the factories of Etibank and Sümerbank in 1984 as a result of legislative action. Its name was changed into the "Turkish Cement and Land Industry Inc. Co." (ÇİTOSAN). In addition to its contribution to the national economy, ÇİTOSAN with its achievements in planning, projecting, manufacturing, erecting and running of cement factories since 1960's, periods of economic plans, has succeeded in establishing a 'School in Cement'. In 1987, when the privatisation programme has begun, ÇİTOSAN had been running 21 cement, 3 refractories, 1 ceramics, 1 porcelain, 1 paper bag factories as well as some subsidiaries. In parallel to the privatisation programme there has been decrease in the number of factories. Now, ÇİTOSAN is rendering technical, administrative, data processing, research and consultancy services to all establishments in the cement, ceramics and refractoring sectors. The privatisation of ÇİTOSAN was one of the earliest privatisation experiences of Turkey.

Sivas and Çorum cement factories were established in 1943 and 1954 respectively, to meet the demands of neighbouring cities and Central Anatolia. Both increased their production capacity by changing their wet system production to the dry system in 1968. By 1992, production capacities of factories reached to 320.000 tons clinker/year and 325.000 tons cement/year for Sivas plant, and 415.000 tons clinker/ year and 445.000 tons cement/year for Çorum plant, respectively. Unfortunately, the factories had suffered from under-investment and a rapidly changing environment before privatisation. Governments had not given them any significant attention and their local senior management were largely demotivated under the political

pressures. "Public Shares" of two factories were delegated from ÇİTOSAN to Public Participation Administration (KOİ) in 31.12.1991. Then, they became part of Yibitaş Holding Inc. Co., operating mainly in the construction materials sector, by a "share sale" contract signed on 25.12.1992. By this contract conversion of these factories from government ownership to private was realised.

Broadly speaking, it is possible to say that giving Sivas and Çorum factories for an example of an organisational change is meant to provide not an example of change in organisations but rather a good case scenario for change implementation.

4.3. GENERAL FINDINGS

Our basic objective in this section is try to examine and show the relevancy of the case to our developed model step by step in the light of informations gathered from various documents, observations and interviews. As being shown in Figure 3-1 (see, p.16) our organisational change model consists of a set of steps. By depending upon this model, certain forces and factors which initiated organisational change in Sivas and Çorum cement factories were studied firstly. By this way, the question of why these factories were changed was tried to be answered. After examination of "determinants" of organisational change, then, the change agent as an "organisational initiator" in the factories was dealt with. Moreover, the change agent's choices about the "intervention strategies" that is the choices of new managers of the factories, and their "implementations" of such interventions was focused on.

4.3.1. Determinants of Change

Privatisation was the basic determinant that initiate organisational change in Sivas and Çorum factories. While privatisation, the primary stimulus for change in organisations, remained in the external environment, the primary motivation for what and how to change resided with the people in the organisations.

At this point we turn the Huber and Glick's (1993:3) explanations regarding the forces that energise changes in organisations. For them, organisation's environment and organisation's top managers are two basic factors that energise organisational change, that is changes in organisational environments affect organisations. In this regard, privatisation programme of Turkey as a departure from "status quo" or historical "smooth trends" was (and still is) one of the most important determinants of public organisational change. Privatisation is not only a source of organisational changes but rather it is an outcome of different and more rapid changes in organisation's environment in Turkey. Privatisation of Sivas and Çorum cement factories by depending upon a "government regulation" created the need to change (Robbins, 1987:387-388) the current organisation's structure, technology, processes and people of organisations. On the other hand, the top managers of Yibitaş Holding served as a "source of change" and "manipulators of the organisation's environment" after the privatisation. As Huber and Glick (1993:9) state that top managers influence organisational change in four important ways: they can be 'source of change' because of their belief system. Secondly, they can also serve as 'inhibitors of change', because their beliefs and competencies can cause top managers to serve as constraining

agents. Thirdly, top managers are also 'interpreters of the organisation's environment', because they label environmental stimuli as "problems" or "opportunities". Finally, they are 'manipulators of the organisation's environment' by acting through different activities. Top managers of Yibitaş Holding were "source of change" because they directly determined and conducted organisational changes that they prefer in factories. They acted as if "the reflector" of changes in the environment to the organisations. Furthermore, they were manipulators of the organisational environment because, as being stated in the 1993 Handbook of Yibitaş Holding general objectives of Holding were;

> to take measures to direct the efforts of all the companies (to protect the environment and keep it clean) and, (...) to plant trees every year through contacts with the forestry and agricultural directorates in the region, and organise on "ARBOR DAY" (...). When there is no more space left in the facility grounds, to request tree planting areas in co-ordination with the concerned officials, and to ensure that the trees are tended and cared for giving them the company name (...)

Broadly speaking, by giving such decisions and directives, top management of Yibitaş served as manipulators of the organisation's environment, to a degree, in order to make environment hospitable for their organisations.

Another determinant of organisational change was the merger of Sivas and Çorum factories with other subsidiaries of Yibitaş -with Lafarge Ankara Cement and Yibitaş Ready-Made Concrete- under the name of Yibitaş Lafarge Central Anatolia Cement (YLOAÇ) Inc. Co., in 1994. YLOAÇ was an outcome "joint venture" contract signed between Yibitaş and French Lafarge company. Merger of an organisation with the other needs reorganisation of old structures (Das,1990:463). Likely, executive boards of Sivas and Çorum factories were abolished after merger and newly

strengthened central management structure was imposed. Merger started the second phase of organisational change in the factories. While it necessitated the restructuring of the organisations again, changes started with it have not been completed yet.

4.3.2. Organisational Initiator

Change agents initiate organisational change. That's why, we have defined change agent by depending on Robbins (1990:388), as "those who are in power and those who wish either to replace or constrain those in power"in section 3.2.1. "Management Team" from Yibitaş Holding has initiated organisational change in factories. Therefore change agent was the "Management Team" of Yibitaş Holding. The team included;

1- President of Executive Board of Yibitaş Holding,

2- Outside consultant transferred from public sector,

3- Vice President of Executive Board

4- General Director (and two staff) of Yibitaş Engineering and Machinery Inc. Co., a subsidiary company of Holding.

In reality, management team has been the ultimate decision-making organ from the beginning of privatisation. Three members of the team took the decisions and the others offered advisory service.

In the preparation of the Rehabilitation Project, which include the modernisation of factories, management team was guided by external consultants from ÇİTOSAN. The team was the intermediary between the

forces initiating change and the choice of an intervention strategy. The background and the interests of management team as a change agent have been critical to the determination of what is perceived as a condition in need of change. Besides, in the assessment and evaluation of the effectiveness of factories management team brought along its own self-interests. As Osman Veral, Chief of General Accounts of Yibitaş Holding, clearly puts it "management team had a whole new philosophy of working and personnel management." By privatisation in 1992, executive boards of factories were changed. Change in executive boards as a decision-making organ meant change in overall business policy of factory.

Closer examination of factories by the management team revealed a number of key organisational weaknesses. Most important of them was the need to renew production line of factories technologically. Cement mills, rotary kilns, electro-precipitators and some mechanical equipments were in need of change urgently, because of the under-investments in production lines. Diagnosing of the problems and financial analysis of current situation of factories also helped the management team for development of the scheduling, in the sense that organisational change should be started from the production lines of factories. Because, scheduling the organisational change requires first of all a decision on which of the organisation should begin the program (Beckhard and Harris,1987:118). Organisations, on the other hand, can be conceptualised as having two cores: a production (technical) core and an administrative core (Daft,1992:265). Each core has its own employees, tasks and domain. In our case, production core of factories was what Kilmann (1989:214) described as "primary business unit" from which change spreaded to the other units of organisations.

4.3.2.1. Diagnosing the Problems

Diagnosis stage implies identifying the cause of the problems in the organisations so that an appropriate change can be planned and implemented (Dessler, 1986:442).

For this aim, the top managers of Yibitaş, with the aid of their own consultants, started to pinpoint all the problems in the entire organisations. The objective was, first of all, to decrease costs without extra-investment. Experts from other subsidiaries of the Holding tested the production line of factories. In cement sector this sort of a diagnosis and test is relatively easy comparing with other sectors. By this examination the optimum number and workhours of employees, the current quality and quantity of production, possible capacity increases, the way of reducing unexpected down-times, the amount of required downsizing of workforce etc. can be decided. In the interviews with Holding's managers they stated that within three months, especially by reorganisation of current structure, technology and downsizing of workforce costs were reduced.

On the other hand, two months after the privatisation effort began a "Rehabilitation Project" which include the a) modernisation and b) extension and renewal of factories was started by "Management Team". In the preparation of this project experts from ÇİTOSAN started a "feasibility study". In this project, technological change in production line was aimed. In section 4.3.3.2. we will examine the Rehabilitation Project more comprehensively. Diagnosing activity of management team, thus, had included two steps: test of existing production line of factories to decrease costs without extra-investment just after the privatisation, and "feasibility

study" of Çitosan experts for preparing of "Rehabilitation Project" to renew and modernise current technology of factories.

However, it should be pointed out here by the way that the Annual Reports of High Board of Auditing on Sivas and Çorum plants have also signified the problems before the privatisation. In reality, Annual Reports can be seen and used for discovering organisations' full range of problems. For example, 1992 Annual Report stated for Çorum plant that;

> measures which will decrease the costs should be taken with maximum saving in all of the expenditures to maintain the profitableness of the firm. Meanwhile, reducement in the inventory stocks, using fixed raw material according to the standards (...) and, widening the market hinterland should be needed.

These "recommendations" were approximately same and valid for Sivas too. When the ownership of factories belonged to the state, there were, of course, some insights about the cause of the problems, but, the problem was that these recommendations and solutions of problems were not realised effectively. By means of these recommendations in which financial and economic assessments were listed to monitor performance and environment of organisation could be possible.

After the privatisation, the management team of Holding tried to conduct some changes in order to reach that stated in Annual Reports of Prime Ministry High Board of Auditing. However, the diagnosis activity of Yibitaş Holding's managers stated above also had some deficiencies in itself. The basic deficiency was the seeing of management team of Yibitaş Holding the factories according to the "at-the-surface aspects." This has implied a kind of perceptual filter that limit the search for an understanding of the organisations' problems.

As being remembered that, in section 3.2.1.1 we have introduced a "holographic image model" used for discovering an organisation's full range of problems standing in the way of organisational success (Kilmann,1989:208). The model consists of five broad categories representing the at-the-surface aspects of an organisation- the setting, the organisation, the manager, the group and results- plus, three below-the-surface aspects that add the dimension of depth-the culture, the assumptions and the psyches. While the setting includes every possible event and force that can affect the success of organisation, the organisation category can be diagnosed according to strategy, structure, and reward system while the styles and skills of managers can be diagnosed for how well they fit the types of people and problems in the organisation. The other part of holographic image model portrays the decisions and actions that follow from group efforts. Below-the-surface aspects of the organisation- that is, 'culture' i.e. shared values, beliefs, expectations and norms; 'assumptions' i.e. beliefs that have been taken for granted but may turn out to be false under closer analysis; and, 'psyches' i.e. innermost qualities of the human mind and spirit are the uniquely holographic aspects of the organisation and each of these aspects functions at a different level of depth. It can be stated that the diagnosing activity of the top managers of Yibitaş Holding and the consultants aimed, first of all, to search at-the-surface rather than the below-the-surface aspects of factories. For example, they discussed and tried to determined the effects of rapid change in the environment due to the privatisation of the other cement factories that belongs to the state, because this change would affect the position of Yibitaş Holding in the marketplace. Rapid change in environment and entrance of new stakeholders- that is other organisation, group, or community that has some stake in what focal

organisation does- are the changes regarding with the 'setting' category. The same holds true for testing the production line of factories by experts for discovering the optimum number of employee workhours , possible capacity increasings, and the way of reducing unexpected down-times of production units. Even if many events in the environment are generally irrelevant, they can become a significant factor for the organisation to consider at any time. The search of Yibitaş Holding's managers regarding the 'setting' of factories, provided to them a context in which factories' internal properties and dynamics were understood and interpreted.

Again, the "organisation" category of factories within the holographic image model was diagnosed according to strategy, structure, and reward systems of factories. Strategy refers to all documents that signify direction: statements of vision, mission, purpose, goals, and objectives. In the 1993 Handbook for the 20th anniversary of the establishment of Yibitaş Holding, the new strategy of factories was signified by Erdoğan Akdağ, Chairperson of the Board of Directors, as "competing with the other companies in the sector with respect to quality, and hormonious co-operation both internally and with the other organisations of the sector." About one year after this new strategy was declared, Sivas and Çorum cement factories merged with Lafarge company. Additionally, factories' structure, for example the organisation charts were redesigned in order to move the organisation in the designated direction. Likely, the reward system was changed so that the employees could be motivated to high levels of performance and to new "respect for nature" strategy of Yibitaş Holding by using incentives such as monetary awards, plaques and the like.

It can be said to some extent that the management team diagnosed the managers of factories by appointing new General Directors to Sivas and Çorum factories. However, it was clear in our interviews with the managers of Holding that there was no clear attempt for an understanding and changing of the "holographic aspects" of organisations. On the other hand, after diagnosing activity ended and during the implementation of changes we could not witness any long-range effort to improve the organisational renewal process particularly through an effective and collaborative management of organisation culture and the planned use of the organisational development (OD) interventions- or applied behavioural science techniques. The primary focus was on changing of the workers of factories only with "on-the-job" training. OD programs that attempt to intervene in the ongoing organisation and to change behaviour, values and innermost qualities of individuals and groups at factories have not been generated. Basic reason of this was that the management team intended to change structure and technology of factories generally and diagnosed them according to this intention.

As being stated before, holographic aspects have different level of depth, and just below the surface and thus easiest of them to manage is culture. That's why, it was natural that coming of the new managers as the new owners of the factories affected the existing culture of factories more easily than the others. For example, some of the old norms -the "unwritten rules of the game" (Kilmann, 1989:209)- at factories were changed. However, this was not signifying the almost planned pattern that has emerged in all the diagnosing stage. Deeper holographic aspects of organisations, that is, taken for granted beliefs (assumptions) and, innermost qualities of the employee's mind (psyches) were also the outside of the diagnosing activity of Yibitaş managers.

Consequently, we can suggest that by diagnosing only some of the above-the-surface aspects of factories, the management team has limited the variety of their intervention strategies for organisational change. As we will see in next sections of study, diagnosing of the management team the factories in terms of above-the- surface aspects brought about mainly choosing of structural and technological changes. Although, naturally there are differences from one to another, large-system change must be diagnosed according to these interrelated categories. Not only structural and technological sides of organisations but human dimension of them, all the categories of holographic image model had to be considered and diagnosed. The likelihood of Sivas and Çorum cement factories' success to complete organisational change by first, diagnosing and then adjusting only above-the-surface aspects of factories is low. Because, structural redesign, management development and cultural change are all necessary to revitalise the organisations. Otherwise, the extent and variety of complex problems will continue to impose troublesome barriers to factories' success and will continue to prevent large-system change from occurring.

4.3.3. Intervention Strategies

Up to now, we have tried to answer the questions of why Sivas and Çorum cement factories changed, what were the determinants of change, who was the change agent, and how the change agent diagnosed the change? Now we will focus on what and how changed at factories in this part of study. To understand change event successfully we must understand some other basic elements of change in factories: what was being changed and how the change occurred. The "what" regards the intervention strategy category of our

organisational change model, and the "how" deals with the implementation category. In other words, we will try to understand in this section both objects and methods of change. We will try to articulate changes in organisational structure, technology, processes, and people as intervention strategies of factories' management team, then, we will turn on implementation of these strategies.

4.3.3.1. Structure

As we have already noted, an organisational structure plays important role in the process of planned change (Gortner,1987:401). Because much of the planned change that occurs is in the area of structure. Changing structure is appropriate since it can effect the organisations' ability to carry out all other functions of management, but what does structure really mean? We have identified structure as "a pattern of relationships that govern the performance of organisational roles" (Connor and Lake,1988:64)in section 3.3.1. Thus, the structure classification in our organisational change model includes changes affecting the distribution of authority; alterations in the chain of command; and addition or deletion of positions, departments, and divisions. Changing organisations structurally involves at the same time, altering various organisational dimensions and creation of some structural mechanisms. While organisational dimensions are complexity, formalization, centralisation, and co-ordination, examples of structural mechanisms are work groups and separate units (Connor and Lake, 1988:64 and Robbins, 1990:82).

In this regard, it can be said that changing of factories' old structure played important role in the choice of intervention strategies in our case. In order to

develop a more effective organisation various structural changes were needed. Alterations regarding the factories' structure were in the chain of command, span of control, distribution of authority and in the organisational dimensions e.g. in the degree of complexity formalization, and centralisation of factories. In fact, alterations stated above were due to three most important managerial decisions taken after privatisation. Firstly,management team decided to delete the Vice General Director positions in both Sivas and Çorum. This was followed by the unification of Personnel and Internal Services Departments under the name of Human Resources Department and transfer of the works of Trade Department to another subsidiary of Yibitaş Holding. Organisational charts of factories before and after privatisation are depicted in Figure 4-1and 4-2.

Introduction of computer aided maintenance (CAM) system was the second important source of structural changes. It was designed to improve efficiency of Maintenance and Planning Department, to control and co-ordinate the production and to reduce unexpected down-times of cement mills and clinker killns. And, thirdly, the merger of Yibitaş Holding with French Lafarge Company changed the structural dimensions again. Under the old structure, too much depended on the Vice General Directors, technical and administrative. The merger created a more centralised distribution of authority. These three decisions changed the structure of factories by altering chain of command, span of control, and organisational dimensions. We will review each of them in detail.

As being remembered that we have identified four organisational dimensions in theoretical part of study: complexity, formalization, centralisation, and

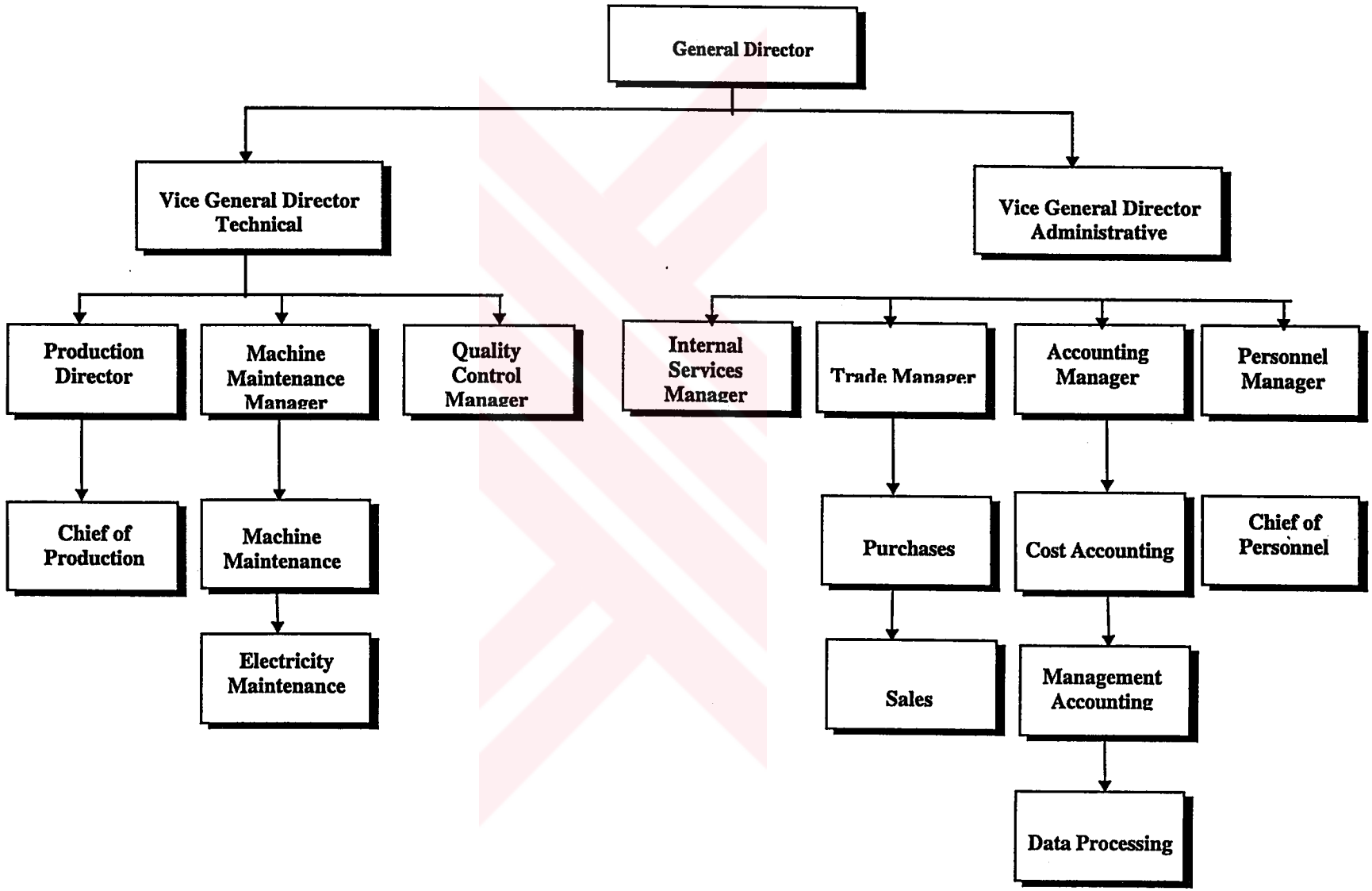

Figure 4.1 Organisation Chart of Sivas and Çorum Cement Factories Before Privatization

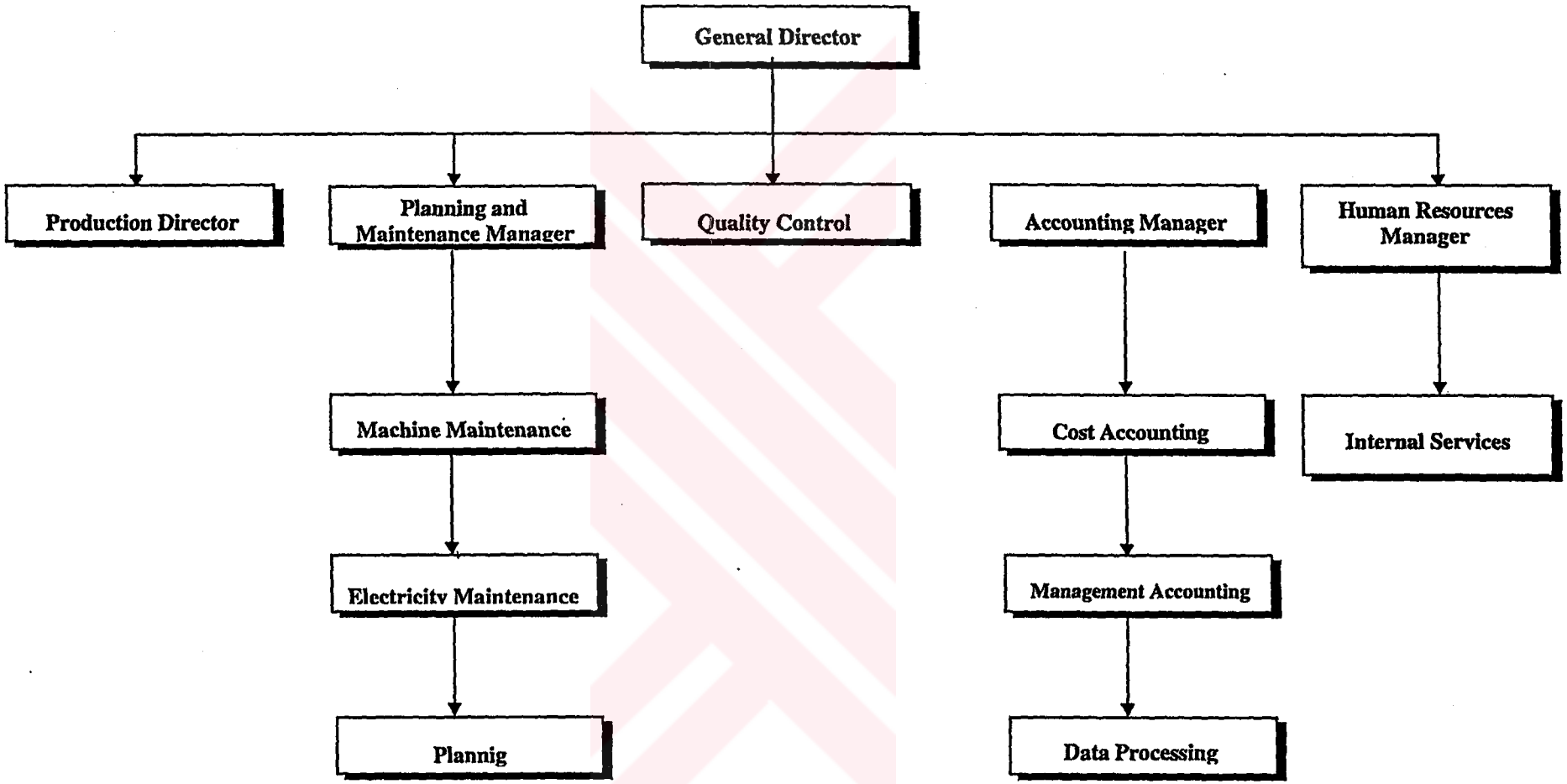

Figure 4.2 Organisation Chart of Sivas and Çorum Cement Factories After Privatization

co-ordination. Complexity refers to the extent of differentiation within the organisation (Connor and Lake,1988:64). This includes the degree of specialisation or division of labour, the number of levels in the organisation's hierarchy, and the extent to which the organisation's units dispersed geographically (Robbins, 1990:5). The degree of differentiation that exists within an organisation has three forms: horizontal, vertical, and spatial.

Although complexity is a relative term, if the degree of complexity of an organisation's structure is reflected in the number of departments and administrative levels that it has, it can be easily said that the complexity of two factories were decreased by deletion of some positions and departments stated above. Especially horizontal differention- that is, degree of differentiation between units based on the orientation of members, the nature of the task they perform, and their education and training (Robbins, 1990:83)- was very high because of differentiated departments before the privatisation. After the 1992, however, number of different occupations within administrative core of organisations that require to some extent similar knowledge and skill were unified. For example, the new Human Resources Department was created by unification of Internal Services and Personnel Departments on the basis of function that staffed by people who have similar works and services.

Departmentation and specialisation are the most visible evidences in organisations of horizontal differentiation. By this unification division of labour, a kind of functional specialisation, and the number of departments were decreased. The decrease in specialisation and departments, thus, resulted in decreased complexity within factories. Because, by means of

decrease in specialisation, henceforth, there were no need to more sophisticated (and may be expensive) methods for co-ordination and control. Furthermore, it was true in our case that vertical differentiation as the number of hierarchical levels (Robbins, 1990:83) in the factories declined after the privatisation since the horizontal differentiation declined. Deletion of Vice General positions existed between General Directors and other departments increased the potential of inhibitions of communicative distortions and the more co-ordination of the decisions of departments' managerial personnel. And, the more easy it was for top management to oversee the works of lower-level managers.

Vertical and horizontal differentiation should not be construed as independent each other. We can understand vertical differentiation best as a response to changes in horizontal differentiation. As specialisation or departmentation expands, it becomes increasingly necessary to co-ordinate task, and vice versa. After privatisation, by unification of some departments which have similar background and jobs it became more easier for General Directors of factories to see how departments' tasks fit into greater whole. However, after these changes General Director of factories had to supervise directly each of the other departments to ensure that the work is done according to plan and on time. The result was increasing span of control of General Directors (Robbins,1990:87). The span of control defines the number of subordinates that a manager can direct effectively. The span became wide for General Directors and the number of subordinates reporting to them increased from two to five after the deletion of Vice General Director positions in Sivas and Çorum cement factories. The wider span created more flatter organisation.

This flat structure provided closer supervision and tighter "boss-oriented" controls, shorter and simpler communication chain and more people reporting to General Directors. To summarise, deletion of Vice General Director positions, unification of some departments affected span of control General Directors and complexity of factories by changing their horizontal and vertical differentiation.

It would not be inappropriate now to inquire: what does it mean if factories are high or low in complexity? Organisations contains subsystems that require communication, co-ordination, and control if they are to be affective (Connor and Lake,1988:65). The less complex an organisation the smaller the need for effective communication, co-ordination, and control devices. In other words, as complexity increases, so do the demands on management to ensure that differentiated and dispersed activities are working toward achieving the organisation's goals. So one way of answering the "what does low complexity mean for factories?" question is to say that it lessened the amount of attention of managers to dealing with problems of communication, co-ordination, and control.

On the other hand, introduction of computer aided maintenance (CAM) system into Maintenance and Planning Department affected the degree of formalization, the degree to which jobs within the organisation are standardised (Robbins,1990:93). In (CAM) system the main object was to co-ordinate jobs of Maintenance and Planning Department and control the overall production process. By introduction of this system every unit of production line was firstly encoded. This was followed by the encoding of subsystems, employees in the Maintenance and Planning Department and the

equipment that they use. Henceforth, job orders, in this department, were started to be taken from computers in the form of print out. This was more important because by this way what is to be done, when it is to be done, how he should do it and by which equipment could be determined according to soft-ware which developed for co-ordinating the works of the department. It was natural that jobs regarding production lines and maintenance of them were more formalised than the others. Because production tends to be concerned with stable and repetitive activities. (CAM) ensured the standardisation of works and employee behaviour by new rules and regulations. Rules are explicit statements that tell an employee what he or she ought not to do, and procedures are a series of interrelated sequential steps that employees fallow in the accomplishment of their job tasks (Hall, 1982:84). Introduction of (CAM) represents the imposition new rules which do not exit before privatisation on employees and standardisation of work process by new procedures. Job orders taken from computers tell employees explicitly what they can do, how they are to do it. Rules did not leave no room for employee judgement or discretion and works of the Maintenance and Planning Department follow a specific standardised sequence.

Finally, merger of Yibitaş Holding as owners of factories with Lafarge Company changed the making decisions. For example, after privatisation ultimate decision making organ became CTI (Centre Techniques Inter Unites) of Lafarge at Lion, Paris. Important decisions such as extensive technological investments were taken by this centre. This brought about concentration of important technological decisions in one place and increased degree of centralisation. People at this centre started to hold control over the full

technological decision-making process. The degree of control one holds over the making decisions is, itself, a measure of centralisation. As Mehmet Gümüşburun, Vice General Co-ordinator of Yibitaş Lafarge, clearly states that;

> after merger with Lafarge decision making system became similar to the system before privatisation: this was the centralised system. Not only Lafarge, all French cement sector companies make decisions in that manner. This was not a temporary situation. The French system has been centralised one. However, the Turkish system was more closer to the decentralised (American) system, that decision making more easy and instant.

On the other hand, it seems that French Lafarge has became dominant clique at factories after the merger in 1994. We have defined dominant clique or coalition as a group within organisation with the power to influence the outcomes of decisions. Lafarge can be seen as dominant clique because it has critical information, expertise or any other resource that is essential to the organisation's operation. Lafarge acquired the power to influence the outcome of decisions since it has expertise and information that Yibitaş has not, thus, it became the dominant clique after the merger. The top management members of Yibitaş responsible for the co-ordination between Yibitaş and Lafarge suffered from this situation. Centralised decision-making had an impact on the moving decisions to Lafarge group as a dominant clique.

Management team did not intend to use different structural mechanisms such as work groups and separate organisational units (Gorlin and Schein, 1984:5 and Galbraith, 1982:11) in changing organisational structure.

In summary, in this section we have defined and described main structural changes in Sivas and Çorum factories after privatisation. They were due to

the three managerial decision -deletion of Vice General positions and unification of some departments; introduction of CAM system to factories; and merger with Lafarge company. These decision affected the chain of command, span of control and structural dimension of factories such as complexity, formalization and centralisation. We will demonstrate technological changes in factories in next section.

4.3.3.2. Technology

As being remembered that in our organisational change model, we have taken the technology as an example of another intervention strategy, in section 3.3.2. The technology classification in our model have meant the modifications in the organisation's production process. Technological changes are regarding the improving either the organisation's quality or quantity of output (Porras, Robertson, and Robertson, 1993:620). Such changes typically involves new equipment and/or techniques (Connor and Lake, 1988). Thus, we tend to see the technology, according to our model, as everything directly associated with the transformation of organisational inputs into outputs, and technological changes as changes in everything in which the organisation's output is produced.

It should be stated first of all that, examination of specific conditions which cause or inhibit technological changes and investments in factories, before and after the privatisation, is as important as enumeration of mere technological modifications and changes in factories. We will, therefore, discuss these conditions before examining important technological changes.

The ownership of Sivas and Çorum cement factories was, as being stated earlier, belonged to the state before privatisation in 1992. Problems that necessitated to start a privatisation program of State's Economic Enterprises (SEE's) were valid for these factories. The main and general problems, for example, were that of huge amount of burdens which SEE's impose upon the national budget, or low world-wide economic competition capacity of these organisations, etc. The basic reason that lies in the behind of these problems was that the required technological changes and improvements were not done at factories. New technology was not followed satisfactorily by these organisations. Then, there is one more thing that must be questioned: why these organisations did not follow the technological changes and adopt them to the factories before the privatisation? Three main reasons can be stated. They, as approximately all managers and general directors of factories clearly declared from different perspective, were;

a) lack of resource allocation for these factories,

b) political interventions from different political parties to the factories' recruitment policy, and by this way lack of capable workforce especially in administrative level,and

c) taking critical decisions slowly because of political interventions and "rigid regulations" of governments regarding the economic policy.

One of the basic problems was the lack of resource allocation for these factories, hence the technology which existed before privatisation could not be updated since the date of including factories to the privatisation program. Even the existing technology was not be protected because of that policy:

periodical maintenance of clinker kilns and cement mills; technological modifications in electrofilters and construction of new ones in order to stop environmental pollution of district; using appropriate and more cheaper raw-material and fuel compositions were not realised before the privatisation. That's why, the production costs of factories were very high. It was ironically true that the need to such kind of technological change in factories was clearly stated in different Annual Reports of Prime Ministry High Board of Auditing, additionally, required technological renewals were listed in those reports. Unfortunately, required financial resources were not allocated to reach these objectives. Before the privatisation in 1992,decisions about the needed technological investments must be passed from the approval of State Planning Office (SPO) and, they were realised according to the "government investment programs." Some important and needed investments were denied by (SPO), by asserting the "saving principle"of governments. Broadly speaking, by the privatisation financial "partners" of factory administration were changed; now, there was International Fund Corporation (IFC) instead of International Monetary Fund (IMF). After privatisation, factories should not be bound to fallow and work according to economic decisions of different governments. Table 4-1 shows changes in investment payments of both Sivas and Çorum factories for period between 1990-1995.

Table 4.1 Investment Payments (In Cash) Between 1990-1995 for Both Sivas and Çorum Factories

	1990	1991	1992	1993	1994	1995
Sivas Million TL	5237	9929	180	19873	179851	33215
Çorum Million TL	903	1606	2285	63861	131974	771391

Table 4.2. The Change in Capital of Sivas and Çorum Factories Between 1990-1995

	1990	1991	1992	1993	1994	1995
Sivas Million TL	1300	1300	1300	5000	80000	50
Çorum Million TL	500	500	500	500	60000	60000

After privatisation, capitals of Sivas and Çorum cement factories were increased (see, Table 4-2) and external financial resources were founded from abroad by Yibitaş Holding administration, and by this way technological changes and investments were started. Moreover, general employment policies of governments had caused to overexpanding of factories' workforce and, important financial problems. After privatisation political interventions to the factories' administration process and to their recruitment and employment policies were reduced. On the other hand, taking critical technological investment decisions became more rapid. In this context, Mehmet Gümüşburun says regarding differences between before and after privatisation and taking technological investment decisions that;

> Before privatisation, taking a technological investment decision and its realisation was likely to last to two years because of different problems such as lack of resources, or political and economic interventions of governments to factories' decisions. On the other hand, these problems were solved after privatisation. In private sector companies, required technological changes must be realised rapidly. Because, if we do not do necessary changes this return to us as increasing in costs.

After these explanations, we can examine important technological changes more in detail. In order to understand technological changes, modifications, and improvements in factories after privatisation we must look at the "Rehabilitation Project" started by the Management Team of Holding more carefully. Main technological problem that the team must solve was the renewal of the production lines and various mechanical equipments of

factories. Because existing cement mills, rotary clinker kilns,and electro-filters were dependent upon old technology, this situation was, caused, first of all, to environmental problems such as air, and land pollution due to cement dust and secondly, increase in production costs.

Before 1992, there were two clinker killns and four cement mills in Sivas and Çorum for each factory. One of the cement mills in Sivas was changed by new technology high capacity cement mill by the Rehabilitation Project. Moreover, some important modifications were done at cement mills in Çorum. These renewals and improvements brought about reduction in the workforce of factories. For instance, before the technological change in cement mills 48 workers totally were employed in 3 relays at 24 hours for each mill. However, after the installation of new technology mill, 12 workers totally was started to be worked in 3 relays. Although the amount of employees was decreased due to new technology, the amount of production was increased. Table 4-3 and 4-4 show the changes in workforce, and amount of production of factories between 1990 and 1995, period of three years before and after privatisation.

Table 4.3 Changes in The Workforce of Sivas and Çorum Factories Between 1990-1995

	1990	1991	1992	1993	1994	1995
Sivas	392	387	349	298	214	174
Çorum	364	366	335	287	212	170

Table 4.4. Changes in The Amount of Production of Sivas and Çorum Factories Between 1990-1995 (Tons/year)

	1990	1991	1992	1993	1994	1995
Clinker (Sivas)	230	259	248	368	346	386
Clinker (Çorum)	308	298	324	465	457	454
Cement (Sivas)	236	290	334	346	279	396
Cement (Çorum)	345	413	408	350	310	387

Soon after this, the cement grinding capacity of both Sivas and Çorum plants increased by equipping a "pre-grinding unit" infront of the existing cement mills. Increase in the grinding capacity by these changes was very important for the total production of factories, at the same time. Because, the more grinding capacity, the more clinker would be used in the production process. Clinker is the intermediate good for cement production. By increasing the grinding capacity, increasing cement demand of region at the summer season would be supplied. Production of clinker, however, is possible in every season of the year. On the other hand raw-material (farin) preparation capacity was increased by adding a new technology impact hammer mill system in front of the existing mill system. These changes increased the production capacities of factories. Besides, relating of this capacity increasing, input and output duct of electro-filters and gas ventilators was modified, and high-technology jet- plus filters were fitted to the clinker coolers. One of these coolers was installed after the privatisation. Table 4-5 and 4-6 illustrate the changes in clinker production capacities and capacity usings in clinker production of factories.

Table 4.5. Changes in The Clinker Production Capacity of Sivas and Çorum Factories Between 1990-1995

	1990	1991	1992	1993	1994	1995
Clinker (Sivas)	310	310	320	350	350	360
Clinker (Çorum)	415	415	450	450	450	460

Table 4.6. Changes in The Capacity Using in Clinker Production of Sivas and Çorum Factories (%)

	1990	1991	1992	1993	1994	1995
Clinker (Sivas)	74	84	78	105	99	107
Clinker (Çorum)	74	72	78	103	102	99

Optimum heat utilisation, low electric power consumption, low fuels applicable for calciner, optimum burning conditions, high degree of automation for reduced personnel by the renewal of cement mills and clinker killns, and modifications in the existing electrofilters, and installation of new filters and renewals in preheaters. For instance, by the modernisation of electrofilters loss of cement dust which was the 11 percent of the total cement production could be prevented in Sivas plant. This change meant adaptation of a new technology in which loss of production was minimised and a technology that "respect for nature." Additionally, modernisation of mills and killns technologically, reduced the costs of input. For example, the rate of used mixed material in the inputs increased to 30 percent by the installation of new cement mill; such kind of increase was possible only by new technology cement mill. Increase in the rate of using fixed material means the decrease in the cost of inputs. Unfortunately, existing technology of cement mill in Çorum does not allow to use mixtures at this level; the rate is 18 percent for this plant. A comparison of the amount of investment expenditures for the Rehabilitation Project with the amount of expenditure for buying of factories from the Public Participation Administration (KOİ) can be interesting and useful to show the importance of the Rehabilitation Project. Sivas and Çorum cement factories were bought for 29.4 and 35 million dollars, respectively. Expenditures for the project, on the other hand, reached to 12 million dollars, about 20 percent of the total expenditure for buying of two factories.

Changes stated above were related with the increasing of the quantity of output. On the other hand, after privatisation there were some efforts

regarding the increasing of the quality of output. By modernising quality control techniques with new x-ray quality control and analysis equipment and new computers, the receiving of samples from production process, the delivering to the laboratory, the preparing of samples, the analysing of spectrometer and giving the results as data for process were maintained. Thus, the quality has become more stable and secure on all producing phases from the input of raw-material up to the output of product.

It was mentioned, again in section 3.3.2. that many organisations have turned to a complex computerised system as an example of technological change for different functions of organisation such as inventory control, or managing materials flow (Connor and lake,1988:55). Introduction of Computer Aided Maintenance (CAM) and Central Inventory Control (CIC) systems was the example of systemwide computerisation of Sivas and Çorum cement factories' manufacturing process. The introduction of CIC changed the control and monitoring of raw-material, spare parts of equipment and materials. CIC also changed the way in which materials are ordered and processed. CAM ensured that the jobs of Maintenance and Planning Department were then followed the orders determined by computers according to production objectives of factories.

On the other hand the computerisation of periodical maintenance of production unit can be seen as an particular job design activity in our case. We have defined job design as the diagnosing of the task, breaking it down into smaller elements, adding functions or responsibilities to it, or changing its social nature (Connor and Lake,1988:56). Tasks of the Maintenance and Planning Department were re-examined with a view toward identifying and

changing of their characteristics before the introduction of CAM system. Existing tasks must be diagnosed because the new computerised system would redesigned them. This evaluation was conducted to determine which task changed and which did not. After the job diagnosis, which initial step in job design effort, change toward future condition could be implemented. According to Connor and Lake (1988:56) this implementation can take plays through several means, such as job engineering, job rotation, job enlargement, job enrichment and changing job relations. Computerisation of the tasks of the Maintenance and Planning Department can be seen as a job engineering activity. Because, job engineering is concerned with three things: first, physical conditions of work; second, planning and control of production; and third, precise valuation of the process and its output (Connor and Lake,1988:58). CAM changed, after the installation of system, three things in factories: The first of which was "physical conditions of work" by, for example, process design of work and tool design of workers; the second was "planning and control of production" by, for example, changing operation methods of production units and workers, period and frequency of maintenance program; and third was the "valuation of process and its output" by measurement of quality of production process according to new "security" and "using" criteria developed by French Lafarge and started to be used after merger by Yibitaş Holding. We can summarise important technological changes that were aimed at improving both the organisations' quality and quantity of output as fallow;

- new high capacity cement mill in Sivas plant and some modifications in cement mill in Çorum plant

- modernisation of electro-filters and gas ventilators; new jet-plus filters to the clinker coolers in Sivas and Çorum plants.
- increase in production capacity of factories
- construction of new cooling tower
- changes in raw-material and fuel compositions; using more cheaper raw material mixtures according to the standards
- new X-ray quality control and analysis equipment for increasing the quality of production
- introduction of (CAM)
- and introduction of "Central Inventory Control" (SIC) to control inventory flow of factories.

4.3.3.3. Organisational Processes and People

In section 4.3.1.1. we have suggested that at the diagnosis stage, Sivas and Çorum cement factories were diagnosed by the management team in terms of the above-the-surface aspects of "holographic image model" of organisations, and thus, such a diagnosing activity limited the extent and variety of management team's intervention strategies for organisational change. It was the diagnosing of factories according to these aspects which represents the perspective behind the firstly choosing of technological and structural interventions and leaving the organisational processes and people secondary.

Broadly speaking, while organisational structure and technology of factories had a primary importance as a choice of intervention strategy in our case, organisational process and people interventions played secondary role, but after privatisation, some organisational processes such as control, reward and appraisal processes of organisations were changed and classical "education and training" programs were conducted for workers.

In the previous sections we have classified control process into two: preemptive and reactive (Connor and Lake,1988:33). In this context, "to plant trees every year in the region of factories, to organise an Arbor day, and to give tree planting areas the company name" can be seen as an example of pre-emptive control. Because, by those efforts companies attempt to influence the organisations environment. However, establishment of "security" and "using" standards in the production process illustrates reactive control. By means of using those criteria the way of to focus on production operations, and to see whether these operations and their results conform the standards was changed. If these operations do not conform them the adjustment of input and correct the problem are need according to these new criteria. The "using" criterion controls the works and capacity of production units, and "security" criteria controls the works of maintenance units.

On the other hand, the reward system was changed by the new philosophy of Yibitaş Holding. New mission of factories can be seen in the slogan of Holding -"respect for nature, the environment, and for you." In the light of this new slogan reward system that the way in which members of organisations get rewarded directed the efforts of all the companies to protect

the environment and combined such efforts with those of individuals through incentives such as monetary awards, plaques and the like.

Furthermore, education, experience and seniority were in operation after privatisation in the appraisal process of factories. Pay system was uniformed by Yibitaş Holding management for white-colour workers. The basic principle was "the equal pay, for equal job." Alterations in decision-making process have explained in the previous sections extensively.

As being remembered in our organisational change model, 'people' classification includes the changing of individual and group characteristics, values, and behaviour of people in an organisation (Gortner,1987:395). One significant aspect of upgrading employees is education and training. Another significant aspect is organisational development (OD) through which the attitudes, skills and even corporate culture are altered for better (Daft, 1992:268).

In our case, 'people' category as an intervention strategy meant classical education and training programs for workers. After privatisation, changes in technology and organisation structure had an impact on the skills needed by employees. For instance, new computer aided maintenance system required that employees had high-level cognitive and problem-solving skills. Thus, general training programs to help employees acquire needed skills and special programs to increase moral conditions of employees were established after privatisation. Technical training such as machine operations and computer using helped employees acquire cognitive skills. While new Human Resources Department, established by unification of Internal Services and Personnel Departments after privatisation, conducted some education and training

programs any OD interventions or changing behaviour and values of employees by these OD techniques was not intended (Golembiewski, Proehl, and Sink,1981:680). While organisational development practice is concerned with improving organisation performance, a primary focus is the development, well-being, and fulfilment of people (Daft, 1992:268). OD interventions involve training of specific groups or of everyone in the organisation. For OD intervention to be started and successful, management in the organisation must see the need for OD and must provide enthusiastic support for the change (Das,1980:503). However, as discussed earlier in diagnosis stage part of our study, management team was not perceived a need to such a change. Whereas the management team want to adopt new values and behaviour patterns to the factories, they did not need to use techniques from the behavioural sciences to improve factories' performance through mutual trust, employee empowerment and participation and the full use of human potential of workers. The management team after the privatisation tried to impose new values such as "honesty, sincerity, and hard-working" and it was expected from the workers that "they should be committed to their firm and attached to their jobs." However, our various interviews with the managers of Holding has shown that they did not see the need for any OD interventions.

Consequently, closer examination of intervention strategies implemented in Sivas and Çorum cement factories has verified our critics about the sufficiency of OD approach. In section on the critics of organisation development (section 3.3.4.2) we have criticised its taking little explicit account of the wider set of factors that determine organisational change

(Faucheux, Amado, and Laurent, 1982:345) and suggested that examination of OD interventions is not suitable basis for arriving at better understanding of organisational change phenomena. If we employed only OD approach, it would inform us very little about other forms of organisational change that have major impacts on the organisation's members. Among these were changes, for example, in the existence, nature and number of factories' departments; changes in the distribution of authority of the span of control of the top management; changes in the priorities and the goals of factories and changes in the factories' production process. If we would look at the organisation-wide changes in factories from only OD perspective we could not clearly see these changes and our primary focus would be restricted only by people-changing their attitudes, behaviour and values. However, it was clear that attempts to change people by using different OD interventions in the overall organisational change process did not play an important role in our case. That's why, we should take into account the wider set of factors such as structure and technology of factories. We had to consider changes in the people, on the one hand, technological and structural changes should be studied on the other, because people is only small part of a larger organisational mosaic.

4.3.4. Implementation

In so far, we have examined, referring to Figure 3-1, the certain forces which initiate the organisational change in factories as a "determinants" of change such as privatisation of factories, merger of them with other subsidiaries of YLOAÇ, and the organisations'top managers. By this way, we tried to find

the answer of why Sivas and Çorum cement factories, and their structure, technology, organisational processes and people changed?

Forces energise the organisational changes in the factories were acted upon in the organisations by a change agent. This change agent as an "organisational initiator" was so called "top management team" of Yibitaş Holding.

After, we have examined the choices of top management team as a change agent about the "intervention strategies" that is choices of management team about what is to be changed. The basic choice of the team was to change the organisational structure and technology. This was explicit in their intervention actions. However, because structure technology, process and people are interdependent a change in one often means a change in another. Changes in structure and technology of factories caused to changes in organisational processes and people.

And we now turn to implementation of the change in factories. Implementation or the answer of how to implement change refers to the method used by the change agent to implement the change process. We will begin by looking at the steps in the change process of Sivas and Çorum cement factories then we will focus our attention to implementation tactics used by the management team.

4.3.4.1. Change Process

As we have already noted in section 3.4.1. Lewin's (1951) classic model of change process is simple and most useful. We can use this model in our case study to understand the change process at factories after 1992. According to this model, successful change process requires three-steps: unfreezing the

status quo, moving to a new state, and refreezing the change to make it permanent (Robbins,1990:393).

In this three-step model, unfreezing means disturbing the equilibrium of the organisation to make it ready and willing to change. To move from the equilibrium -or status quo- unfreezing is necessary (Goodstein and Burke,1993:165). But the problem, as in our case study, is that how can the top managers or change agents achieve unfreezing? Again, in the context of our model the answer of this question is that: by the "force-field analysis" (Glass, 1991:74).

Force field analysis suggests that in any change situation there are 'driving' and 'restraining' forces. The driving forces favour the change, on the other hand the restraining forces oppose it. To achieve moving from equilibrium one of three ways is used: the driving forces can be increased, the restraining forces can be decreased and we can combine the first two approach.

In Sivas and Çorum cement factories' change effort, the first step in unfreezing involved a massive reduction in the workforce of factories (approximately 15 % percent within first year, and 50 % percent at the end of the third year.) It is interesting to note that within three years after this staff reduction, the amount of production had increased, for example in clinker production, about 40 percent in Çorum and 55 percent in Sivas. The consensus view at all management levels of Yibitaş Holding and General Directors of factories was that the downsizing would reduce financial and economic costs. But the process was painful for the workers and considerable attention should be paid. At this stage, "management team" used the driving and the restraining forces to encourage employees to accept the change. In

order to remove restraining forces management team decided to counselling with, firstly, the members of administrative core of factories and then with the workers. In these counselling management team tried to assure that there is nothing to fear and resist for the people who complete and success the intended changes in factories. On the other hand, management team decided to uniform pay system for the unionless white-colour workers, and to give satisfying wages for workers in the negotiations of company wide collective bargaining agreements as positive incentive and driving forces to encourage employees. As Kirkpatrick (1985:97) states that the most significant reason why people will accept or resist a change is related to the word participation. In this regard in order to assure the acceptance of change process by the administrative core of the factories, management team left the downsizing effort to the new General Directors of factories.

The second major change to unfreeze the status quo occurred in factories' administrative boards and the top management. After privatisation, the members of Administrative Board were changed and the General Director of Çorum plant was appointed General Director of Sivas and General Director of Yozgat (other cement sector subsidiary of Yibitaş Holding) was appointed General Director of Çorum. The changes in the members of Administrative Board naturally represented a significant departure from old business policy and culture of factories. New members of Administrative Board had private-sector background and experience that was quite different from that of their predecessors, many of whom were high-level bureaucrats. It was new Administrative Boards and General Directors who decided, shortly after their appointments, that strategies of factories should be same with the strategies

of Yibitaş Holding. Without question, critical ingredients in the success of the overall change effort were new General Director's vision, the clarity of his understanding that factory need to be changed and his strong leadership.

Moreover, to support the unfreezing process new and different social activities were introduced. This sort of activities in which all factory personnel participate and contact with their managers are an important part of the unfreezing process.

During the unfreezing stage diagnosing activities directed under the control of management were extensively used to deal with various aspects of change process.

As we have explained in section 3.4.1., in reality there is no clear line separating unfreezing and moving. Once unfreezing has been identified the programmatic change itself can be implemented. This is where the change agent introduces one or more intervention strategies -that is structure, technology, processes and people. Many of the efforts made to unfreeze the status quo may introduce change. So the tactics that the change agent uses for dealing with resistance may work on unfreezing and/or moving. In section 4.3.3. intervention strategies of management team were examined extensively. For example, the "Rehabilitation Project" was an important element of the movement phase. By this project, modernisation and extension and renewal of factories were aimed. But, none of these changes would have occurred without the commitment and involvement of top management of Yibitaş Holding and factories' management team itself played a central role in both initiating and supporting the change process.

Merger of Yibitaş Holding with French Lafarge Company represented a critical shift, at the same time, on the organisational climate -that is, how decisions are made, how organisational conflict is managed.

The final stage of the change process is refreezing so that change process can be sustained over time. The change will be short-lived and employees will attempt to return to prior equilibrium state if refreezing is not attended. The change agent do refreezing by replacement of the temporary forces with permanent ones. This actually means formalising the driving or restraining forces. To achieve that, the formal rules and regulations governing behaviour of those affected by the change should be revised to reinforce the new situation (Robbins,1990:396).

In our case, during the refreezing phase the continued involvement and commitment of Yibitaş Holding's (and of course, factories') top management ensured that the changes become 'fixed' in the system. Furthermore, in our case the chaos and anger that arose during the transitional phase have abated and clear signs of refreezing have emerged. Unfreezing phase was depending heavily on the continuos use of data feedback on management practises regarding change efforts.

On the other hand, new "security" and "using" criteria developed by French and started to use after merger in Sivas and Çorum factories in order to measure the quality of production process emphasised the creation of task force. In new situation, several members of Planning and Maintenance Department were used as a "task force" rather than the ad hoc maintenance of production lines. This assured, in the production lines, the replacement of

the temporary forces with permanent ones, because, henceforth, the evaluation would have done by these criteria.

Moreover, a new performance appraisal system, based on both behaviour and results, was created to emphasise the profit driven side of factories. New system also ensured that the changes regarding the factories' personnel become fixed.

Again referring section 3.4.1. the question in the change process of Sivas and Çorum factories is that, can we find any key factors that determine the degree to which change will became permanent? The answer is yes. We can identify some relevant factors such as support of sponsor which provides legitimacy to the change; success to transmit information on expectations; group forces; or implementation of change in a singular unit of the organisation, by depending on Goodman, Bazerman and Conlon (1980:231-242). In our case, management team and organisations' top management and their support as a sponsor of change effort did not withdrawn from the overall change process. This caused to continuality of legitimacy of the change process at factories. In the mean time, new French partner of Yibitaş Holding, Lafarge Company provided new support to the current change efforts.

On the other hand, top management team of Yibitaş Holding was successful in the transmission of information on expectations of Holding to the employees of factories. By using different counselling activities management team reached this success. Moreover, deletion of Vice General Director positions at factories provided the General Directors more strong control amongst different departmental groups such as "technical" and

"administrative" in the staff personnel. By this way, General Directors can know the expectations of different departmental groups.

As being stated earlier, unfortunately, the change process is not smooth as Lewin's model of change. Successful implementation of change is complex and difficult and requires careful balancing of the system. All changes will have an impact outside the area in which they were implemented. No change can take place in a vacuum. That's why, we should deal with resistance to change and overcoming it in the later sections of study.

4.3.4.1.1. Resistance to Change

In section 3.4.1. we have identified different types of classification that attempt to explain why people resist change. In one of these classification some of basic reasons for resistance are individual-related and the others are group-related reasons (Das,1990:467). Individual related reasons may involve fear of unknown, lack of trust, need for security, low tolerance of change, lack of understanding of the implications of change. On the other hand, differing perceptions of the meaning and consequences of change, parochial self-interest, friendship cliques, and political coalitions are the examples of the group-related reasons.

In the transitional phase of change process, sale of the factories to a private ownership company and organisational stories - narrations about how people reacted at a particular time to a particular set of circumstances (Connor and Lake, 1988:48) - about privatisation program of Turkey and its effect on workers caused to a chaos situation at factories. This was stemmed particularly from that people were afraid they would have personal losses.

For example, workers would might lose their jobs through reduction in workforce or elimination of their jobs. On the other hand, lower-level managers of factories would might lose money through extra expenditures such as travel because of a move to another location that further from their home, or they would might lose their position of power and authority over the people. In fact, losses stated above happened after the privatisation began. That's why ın Sivas and Çorum cement factories, massive reduction in the workforce was basic source of resistance to change among workers. Furthermore, changes in the General Director positions of factories and deletion of Vice General Director positions caused to some resistance at the administrative level of factories.

Chaos situation at factories in the transitional phase was reason of the people's fear of unknown and their need for security and desire for the status quo. Before the privatisation, people had the things that were previously done or the way in which such things were done. However, by the changes after privatisation people looked upon these changes as a personnel criticism. For example, persons who have developed a certain system or procedure in their job would very likely take it personally if someone wants to change it. Some changes added more work and with it confusion and mistakes or other negative results. The CAM system, for example, has been introduced and forced on Planning and Maintenance Department of factories and additional burdens and user problems were resulted. Some members of this department, therefore, resented naturally such a change. The profit-oriented and market-driven system of Yibitaş Holding as a private company required more effort of all employees of factories. This was the another source of resentment at factories' employees.

It should be noted that reasons stated above, generally, were individual related reasons and they were dependent upon, principally, need for security and fear of unknown of the employees in the transitional phase of change process. However, after the merger of factories with French Lafarge company top managers and even lower-level managers and chief of different sections of factories especially responsible for the production such as quality control and production section resented the new situation happened after merger. In this resistance their group interests played important role. Centralised decision-making directly controlled by French and indirectly controlled by lower-levels and by this way lessening discretion of factories' managers after the merger caused to some degree resentment and resistance of the members of Turkish group. Because in the new circumstance, the members of Turkish group believed that they lost something of their value and prestige. In the decision-making process by-pass of Turkish managers created a sense of incapability among the top managers of factories. As Mehmet Gümüşburun, Vice General Co-ordinator of Yibitaş Lafarge and representator of Turkish group, stated that "Turkish managers' position in decision-making process was reduced, in reality, to one of a controller rather than decision-maker." It is interesting to note that as in the case of individual-related resistance the members of Turkish group also perceived change phenomena depending on their values and goals. Although changes with merger such as new technology using, for example, in the evaluation of quality and control of production benefited the entire organisation the managers of factories whose power, authority and even prestige were adversely affected resisted the situation created by merger.

Again in section 3.4.1.1. we have suggested by depending on Glass (1991:65) that resistance to change come from a range of rational and irrational sources and is often rooted deep in people's feelings, beliefs and their values, and that we can analyse the reasons resistance to change occurs by using a model of people acting on three levels: rational, emotional, and political. Development of the sense of incapability among the top managers of factories and the belief that they lost something their value is an example of emotional source of resistance to change.

It is not, of course, true that everybody resisted change. While some people resent and/or resisted change, others accepted it because of different reasons. As we have explained depending on Kirkpatrick (1985:92), reasons for positive reaction to change stem from the personal gain that will result from the change. Some of them are 'tangible' such as money, working conditions, and authority. Others are 'intangible' such as status, recognition and feelings of importance and security. In our case also, there were some 'tangible' and 'intangible' personal gains resulted from the changes. As we declared before, basic one of the structural changes in the factories was the deletion of Vice General Director positions. After privatisation, instead of reporting directly to the Vice General Director, heads of the departments would now report to the General Director. Because of this change some people suffered personal loss and resented the change while others (heads of the departments) gained and welcomed it. Reduce in one of the hierarchical levels put them on the some level with their tangible gain- authority. At the same time, some employees were enthusiastic because they gained such things as improved working conditions because they got a new office at the 'administrative

building' of factories or new contacts with important people because, for example, of the multi-national administrative structure of Lafarge Company after the merger. These changes assured those people 'tangible' and 'intangible' personal gains such as feeling of importance or working conditions.

At this stage of study we turn the strategies for overcoming resistance to change at factories.

4.3.4.1.2.Overcoming Resistance to Change

As we discussed in the preceding section, individuals and groups resisted change after privatisation for a variety of reasons. Some of them were self-serving, while others are not. There were, of course, occasions when persons or groups resisted the change because they felt that the changes would not produce any personal gain. While some of the reasons for resistance were emotional and were related to fear of unknown, sense of incapability and chaos in transitional phase, others have logical cause. In section 3.4.1.2. we have studied the following tactics for dealing with resistance to change (Kotter, Schlesinger and Sathe,1986:354). For example, education and communication are essential in all change situations where a lack of information or inaccurate information and analysis contributes to employees' resistance to change. Participation and involvement in many instances involves open communication among all parties involved. It is difficult for individuals to resist a change decision in which they have participated. Facilitation and support can reduce resistance by means of providing training in new skills or simply listening and providing emotional support where fear and anxiety lie at the heart of the resistance. On the other hand, where some

group will clearly lose out in a change and where that group has power to resist negotiation and agreement is in order. Manipulation and co-optation, for instance, by giving a main resister a key role in the change works well where other tactics will not work or are too expensive. Finally, where speed is essential and the managers responsible for the change possess considerable power they can use coercion, that is threatening employees with loss of jobs or promotions, or firing and transferring them.

It is clear that the variety of factors such as change agent's power, the employees' ability to resist can influence the choice of tactic and each approach can be appropriate under the right conditions. For example, in the chaotic situation of transitional phase of change process after the privatisation, manipulation approach was implemented through selectively releasing information and giving the workers incomplete knowledge about the amount and effects of downsizing of factories' workforce. In the very beginning of change process it was told the workers that there was no reason to fear from this process because new owners of factories were respect for the laborious workers. This was, of course, true, but it was only one side of coin. The other side of coin was the laid off workers to reduce the financial costs of factories. This was the unilateral approach in which the change agent simply issued a decree and pushed through the change.

On the other hand, it was apparent that in many situations such as where everything already seems to be going along smoothly, for instance, as in the rotation of General Director of factories, but where some changes were needed, for example, determination of the people who must fire, a more shared approach, participation and involvement of (General Directors) were

used by giving them the responsibility. General Directors' participation was assured by this way. Using this tactic was very important from different aspects. First of all, taken the participation of General Directors reduced their opposition and foster their commitment because people would support that which they help to create. Furthermore, this approach was very useful because those who initiate the change process, the management team did not have all the information necessary in the determination of people would be discharged. In this tactic, the focus of management team was on increasing the level of trust and open communication between the top managers of Yibitaş Holding and factories' managers because this would it easier for the organisation to react to new problems and to change.

Again, at the beginning of change process management team of Yibitaş Holding possessed the informations about the change and employees that was not readily available to other members of factories. After the privatisation management team and different managers of Yibitaş assembled different meetings with the people from administrative level of factories about Holding's expectations from the employees and its objectives. This tactic of communication was assuming that members of administrative level would understand and by this way share objectives of Holding and that possible resistance could therefore be overcome by communicating with people the necessity for change. After the using of this tactic by group presentation and one-on-one discussions, seven people from the administrative level were resigned without any coercion or pressure from the possible sources of resistance.

It was clear in our case that the six approaches discussed in the section 3.4.1.2. were not used independently, to the contrary, a combination of several strategies, that is a combination of manipulation, participation, and communication approaches, was used to influence those who resent and/or resist the change process.

4.3.4.2. Implementation Tactic

Up to this point, we have examined the change process at the factories and the sources of resistance to the change and coping with this resistance in the implementation stage. And we now turn our attention to implementation tactic used by management team.

In section 3.4.2. we have identified implementation as a procedure directed by a manager or change agent to install planned change by creating environments in which change can survive and take root, and implementation tactics as a coherent set of steps to elicit support and co-operation needed to insure compliance with planned changes (Nutt, 1986:233). Furthermore, to develop how managers who sponsor changes promote compliance, we have examined how responsible agents regulate and control a planned change. We treated each planned change as a window through which implementation tactics can be viewed, because steps taken to promote compliance can be found in any stage of planned change. For this aim we have illustrated Nutt's Transactional Planned Change model in Figure 3-3. By depending on this model in which examining how change agents regulate and control planned change we have identified four different implementation tactics that change agent promote compliance: intervention, participation, persuasion, and edict.

Distinguishing features of these tactics were the nature and degree of their sponsor' (or, change agent's) involvement in the planned change.

At the light of this informations, we tend to see implementation-related steps in our case, as an example of intervention tactic for several reasons. First of all, intervention tactic is characterised by change agent's selling their change rationale to those who will be affected. The "selling" actually means creation of new norms because they argue that current performance is inadequate. Change agent offer new definitions of acceptable performance, justify these norms, and show how practices could be improve in intervention tactic (Robbins, 1990:397). In our case, the management team of Yibitaş Holding was the "sponsor-manager" in the "decision mode" and experts from Yibitaş and ÇİTOSAN was the "support team" in "developmental mode" in Transactional Planned Change model. Thus, after privatisation, to initiate change process, management team became a kind of protagonist by creating rationale for change in the mind of organisation's employees. The management team, created these rationale by using support team and their assessments. For instance, management team appraised performance levels of workers at the factories by using new performance evaluation developed by the experts from Yibitaş Holding according to their own criteria and demonstrated performance inadequacies of factories by applying new evaluation, for example, developed by experts from ÇİTOSAN in the feasibility test for the technological renewal of factories in stage I, formulation stage of Transactional Planned Change model. By this way, management team offered new definitions of performance and justified these new norms.

On the other hand, it should be noted that, Nutt (1986) declared some tactical variations in the degree of justification that change agent use. The steps in justification involve validating new norms and showing that how change is possible. These variations on justification are called feasibility tests, and norm tests. In this regard, the feasibility test of ÇİTOSAN experts can be seen as a norm test. Because, it demonstrated that current organisational practices how should be improved. For example, this test showed how the factories' inventory control policy differed from up-to-date practices. In the following stages of change process, management team decided to introduce new computerised inventory control system.

Suggestions of Yibitaş Holding's experts and feasibility tests of experts from ÇİTOSAN which defined options that those involved in the change process considered by management team during the concept development and detailing stages in stage II and III. At these stages, management team stated their premises and respond to the evaluations and assessments of support team- e.i. experts from Yibitaş and ÇİTOSAN; experts responded to management team by offering one or more options; and some of these options were selected to be detailed. It should also be noted that because many change agents recognise that users of the changes are excellent sources of ideas during development stage they form task forces to identify inefficiencies of proposed changes. In this regard, management team used factories' General Directors as a task force in evaluation, stage IV. They offered ideas and provide commentaries on changes management team evolved. However, as one of the typical characteristics of intervention tactic, management team retained the power to veto these recommendations. In the

installation stage, the management team put changes into operation and started intervention strategies stated in section 4.3.3.

Lastly, after these explanations it can be stated that implementation related steps in our case were example of intervention tactic. Because, management team of Yibitaş Holding "sold" their change rationale, by creating new norms, to those who will be effected; used various experts from Holding and ÇİTOSAN as support team in justifying these new norms; but retained the power to veto the recommendations of these experts. However, the acts of management team can not be seen as an example of "participation" tactic because the management team did not delegated the implementation of decisions to those who will be effected; and as an example of "persuasion" tactic because the team did not take passive role in presenting their ideas for bringing about change and abdicate the decisions to experts. On the other hand, while using control and power on change process management team did not avoid participation, whereas, they have facilitated to some extent from it in different issues and discussed changes with users. Therefore, it can be said that the management team did not use "edict" as an implementation tactic.

4.3.5. Evaluating Results

As we have seen, changes in Sivas and Çorum factories has followed a logical pattern: starting the privatisation, establishing the management team as an organisational initiator, making diagnosing by the team with consultancy of different experts, choosing intervention strategies and implementing these changes. In light of time, money, effort, and resources devoted to this change, it was expected that the management team of Yibitaş Holding would want to know what effect resulted from their extensive investment. It was

observed, however in our case that a specific evaluation research study for assessing the effects of changes has not been started by the management team. Lack of time, money, and evaluation criteria for this sort of research or management team's failure in determining expectations in measurable terms, as being stated in section 3.5., could be within the possible reasons of this situation. However, it was interesting that none of these problems were not seen as hindering factors by the managers of Holding , but rather, as being prevailed at the interviews with them they did not need to such an evaluation. Their attention was focused on particular and immediate change outcomes, for example, on monetary measures such as costs, profits, and sales or changes (decreasings/increasings) in cement and clinker production of factories. These, of course, were valuable but not good enough for an evaluation of overall change occurred after privatisation.

It can be possible to explain this situation by stating two important and interrelated reasons. First of all, such an evaluation should attempt to answer the question of "okay, what we have accomplished?" Answer of this question can be derived from a decision that inevitably must be made as to whether to undertake the additional effort and expenditure of comprehensive evaluation of what has or has not been attained by an implemented change process. However, the management team of Holding did not need to ask themselves any question about evaluation of organisational changes and to undertake any additional evaluation effort. Secondly, in order to assess the extent to which to organisational change program started after privatisation achieved its change objectives, the management team of Holding would establish an evaluation plan which incorporated into the overall change process. This

means that evaluation plan must be made by management team at the initial planning stage of change process. Only by existence of such an evaluation plan made at the beginning managers would assess the results and establish the degree to which the actual outcomes corresponded to the objectives set out for the program, but the team did not state any particular objectives could be used any evaluation effort. That's why, lack of an evaluation plan brought about a deficiency in determination of criteria by which to judge pluses and minuses resulting from an intervention.

If there would be an evaluation effort for determining the overall results of the change program of factories, collecting information from the various applications in order to improve the implementation process of other changes for the remaining organisational units; learning what barriers to success still remain in change process so that additional activities can be conducted remove them; and determining the impact of the whole program on organisations could be possible. This implies, at the same time, that evaluation must take place before during, and after change process, because even 'complete' program for large-system change is never complete, it is ongoing and forever. For example, two years after privatisation began, Yibitaş Holding merged with Lafarge Company. This inevitably necessitated some changes that still need attention.

On the other hand, we have stressed a valuable distinction among four kind of result measurement in section 3.5.; implementation research, which focuses on finding solutions to specific organisation problems; assessment research, which deals not only with outcome measurement but also with the process that produces it; theory-building research, which is oriented toward

discovering fundamental relationships existing in a planned change; and evaluative research, which is concerned with the impress of a change intervention in terms of a total environment (Lippitt, 1985:123).

Depending on the distinction stated above, this study can be seen as an example of theory- building research. Because, it is not directly results oriented, its basic aim is to attempt to discover different steps of planned organisational change in the context of a model, and articulate the relationships among these steps by illustrating a case study. In this regard, it is possible to relate our case study on the one hand to the theory-building research, and to the evaluation model developed by Lippitt (1985), on the other. We have illustrated this model for evaluation process in section 3.5.(see Figure 3-4).

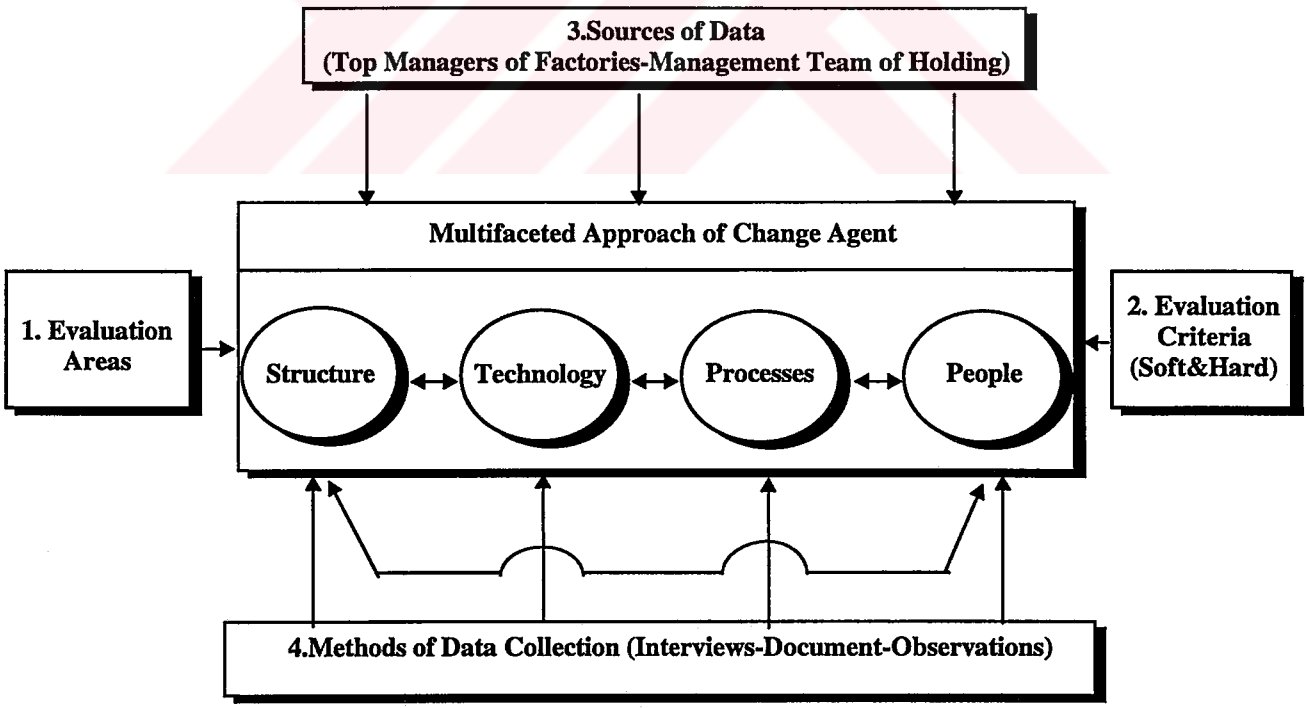

FIGURE 4-3. Evaluating The Organisational Changes in Sivas and Çorum Cement Factories According to Lippitt's Model (adapted from Lippitt 1985, p.134).

Lippit's model highlights different aspects of evaluation process in evaluation areas and categorises change interventions into three major groupings: technological and structural interventions, human process interventions, and multifaceted approaches e.i. combination of first two interventions. Applying Lippitt's model to our case study for evaluation of changes in Sivas and Çorum factories is illustrated in Figure 4-3.

Last category of Lippitt's model is fitting in our case as intervention strategies of change agent (or management team of factories) in the form of organisation structure, technology, process, and people. It should be noted here that the multifaceted approach has longer-lasting effect than the other approaches. This can be explained by the superiority of eclectic choice. In our case, however, some deficiencies in the process and people interventions of management team have reduced this effect of multifaceted approach. If different organisation development (OD) interventions are started by new Human Resources Department multifaceted approach of the team will have actually longer-lasting effect at this time. Evaluation criteria points up the issue of whether evaluation process focuses on "soft" and / or "hard" measurement criteria. Soft criteria are obtained from interviews and observations, on the other hand hard criteria are taken from administrative records. Both soft and hard criteria were used in our case study. The soft data included the observed and expressed reactions of participants in the change process with respect to their feelings, attitudes and points of view obtained through "content analysis" of the interviews. The hard data were concerned with, heavily, the direct effect of the "Rehabilitation Project" on such important factors as workforce and production capacity of factories and

amount of production gathered from the Annual Reports of Prime Ministry High Board of Auditing, Yibitaş Holding and Turkish Cement Manufacturers' Association. Two important sources of data were in our case study: management team of Yibitaş Holding and managers of factories. On the other hand, the data were collected through (1) observation of individuals and new systems at headquarters of Holding and Çorum plant; (2) examination of some documents including current records of Holding and factories; (3) individual in -depth interviews.

5. CONCLUSION

This study approaches organisational change phenomena differently than the organisational development perspective does. While organisational development approach emphasises improving the quality of working life of organisational members organisational change theory examines the organisational change on the whole. In the study it is thought that organisational change approach is more suitable basis for arriving at a better understanding of the organisational change process. This study tries to develop a theoretical framework and a model for understanding of organisational change. On the other hand, second objective of the study is to understand the relationships between organisational change and privatisation. Because, realisation of privatisation purposes necessitates various changes in organisations. The study examines the impacts of privatisation and different organisational changes in two factories in the context of organisational change theory.

In the theoretical part, although some challenges of post-modern approach against the management of organisational change in rational, ordered, and planned way are stated, a difference between planned and unplanned change is made and attention is given to the planned change To examine planned

organisational change a model is developed. This model explains three basic elements of organisational change: why organisations change, what can be changed and how? While the why regards with the "determinants" and "organisational initiator" categories of organisational change model, "intervention strategies" category examines what is being changed, in other words, the objects of change. This category includes structure, technology, process and people of an organisation. Finally, the term "implementation" is used, in the model, to describe the implementation process of organisational changes. This category includes examination of both "change process" and "implementation tactics".

In the study, organisational changes in Sivas and Çorum cement factories and the impact privatisation are examined within the context of organisational change model. Broadly speaking, there is a relevancy between change practice of Sivas and Çorum cement factories and organisational change model. It is possible to say that giving the factories for an example of an organisational change provide not an example of change in organisations but rather a good case for change implementation. Because, changes in factories have followed to a large extent the organisational change model: starting the privatisation, establishing the management team as an organisational initiator, making diagnosing by the team, choosing intervention strategies and implementing these changes.

In the study, organisation's environment and organisation's top managers are referred as the forces that energise changes in organisations. In this regard the privatisation, then, the merger of factories are two important determinants that initiate organisational change which come from the

organisation's environment. On the other hand, top managers of Yibitaş Holding are interpreted as the "source of change" and "manipulators of the organisational environment." While privatisation, the primary stimulus for change in organisations, is remained in the external environment, the primary motivation for what and how change is accomplished resides with the top managers at the factories.

Furthermore, change agent is referred as organisational initiator in the theoretical part. Management team from Yibitaş Holding has initiated changes. Therefore, change agent is the management team in our case. It is the ultimate decision-making organ from the beginning of privatisation. It has conducted the diagnosing activity of factories. Diagnosing activity of the team includes two steps: test of existing production lines of factories to decrease costs without extra-investment just after the privatisation, and "feasibility study" of ÇİTOSAN experts for preparing of "Rehabilitation Project" to renew and modernise the technology of factories. However, the diagnosing activity of Holding's managers include some deficiencies in itself. The basic one of them is the seeing of management team the factories by focusing only to the "at-the-surface" aspects. This implies a kind of perceptual filter that limit the search for understanding of organisational problems. For example, any long-range effort to improve the organisational renewal process particularly through an effective management of organisation culture and the planned use of the organisational development interventions are not witnessed at factories.

More importantly, by diagnosing only some of the "at-the surface" aspects of factories, the management team has limited the variety of their "intervention

strategies" for organisational change. This situation has caused to the choosing of structural and technological interventions mainly as a strategy. It can be said that not only structural and technological but human dimension of factories had to be considered and diagnosed by the management team. The likelihood of Sivas and Çorum cement factories managers' success to complete organisational change by diagnosing and adjusting only "at-the-surface" aspects of factories is low.

However, in the theoretical part, organisational structure, technology, process and people are referred as four different intervention strategies. Changes regarding the factories' structure consist of changes in the chain of command, span of control, distribution of authority and the organisational dimensions that is, in the degree of complexity, formalization, and centralisation of factories. Deletion of Vice General Director positions, introduction of (CAM) system, and merger of factories are mentioned as three main reasons of structural changes in factories. On the other hand, regarding the technological changes, specific conditions which cause or inhibit technological alterations and investments in factories are examined firstly, and then, several technological modifications and changes are enumerated. In order to understand these changes and improvements the "Rehabilitation Project" is focused in detail. After technological changes in factories, the amount of production, capacity usings and production capacities of factories are increased, although the decrease in the amount of employees. Some efforts of management team regarding the increasing of the quality of output are mentioned, and computerisation of periodical maintenance of production unit is referred as an particular "job design" activity.

While organisational structure and technology of factories constitute primary focus of attention of management team, organisational processes and people interventions play secondary role. By privatisation, control, reward, and appraisal processes of factories are changed and classical "education and training" programs are conducted for workers. Closer examination of intervention strategies at factories has verified the criticisms for OD approach. Because, if the organisation-wide changes in factories would be looked at from only OD perspective, whole changes in factories could not be seen and primary focus would be restricted only by people-changing their attitudes, behaviour, and values. It is clear that, however, attempts to change people by using different OD interventions in the change process does not play an important role in our case.

In the study, "implementation" of changes is referred by examination of the steps in the "change process" of Sivas and Çorum cement factories and the "implementation tactics" used by the management team. Change process at factories includes three steps: unfreezing, moving, and refreezing. The support of management team and top managers as a sponsor of change at factories, support of Lafarge Company, French partner of Yibitaş Holding, success of managers in the transmission of information on expectations of Holding to the employees of factories by counselling activities and strong control of General Directors of factories amongst different departmental groups are interpreted as the key factors that determine the degree to which change is permanent.

Moreover, examination of change process necessitates, at the same time, delineation of individual and group-related reasons of resistance to change at

factories and the tactics for overcoming this resistance. All of the six approaches discussed in the theoretical part are not used independently at factories, to the contrary, a combination of several strategies that is a combination of manipulation, participation, and communication approaches is used to influence those who resist to change process. On the other hand, implementation related steps at factories are interpreted as an example of "intervention tactic" at the light of theoretical part.

In the last part, whether a specific evaluation research study for assessing the effects of changes has been started by the management team is examined. Two important and interrelated factors are mentioned as reasons of the absence of such kind of evaluating efforts: firstly, the management team does not need to undertake any additional evaluation effort and secondly, the management team does not establish an evaluation plan which incorporated into overall change process at the initial planning stage of change process.

Consequently, this study can be seen as an example of theory-building research, because, it is not directly results oriented. Its basic aim is to attempt to discover different steps of planned organisational change in the context of a model and articulate the relationships among these steps by illustrating a case study.

APPENDIX

List of Key Informants Interviewed in The Case Study

-CEYHAN GÜNER	Accounting Manager of Yibitaş Holding.
-İSMAİL GÜMÜŞDERE	Chief of Planning Department (Çorum).
-MEHMET GÜMÜŞBURUN	Vice General Co-ordinator of Yibitaş Lafarge.
-MEHMET ULAŞ	Production Director (Çorum).
-MELİH AKSOYOĞLU	Chief of Machine Maintenance of Çorum Cement Factory.
-ORHAN ÖZELLİ	Accounting Manager of Yibitaş Lafarge Engineering Machinery.
-OSMAN VERAL	General Accounting Manager of Yibitaş Holding.

-SABİT USLU	Educational and Publishing Department of Cement Manufactures Association.
-SAVAŞ ERTÖZÜN	Educational and Publishing Department of Cement Manufactures Association.
-SEYHAN TURHAN	Member of The Board of Directors of Yibitaş Holding.
-VAHAB NALÇACI	General Director of Çorum Cement Factory.

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