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THE EFFECT OF SYSTEMIC CHANGES ON ATTITUDES IN A SALES ORGANIZATION

DISSERTATION

Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy in the Graduate School of The Ohio State University

By

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* * * * * *

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CHAPTER I

INTRODUCTION

Rapidly changing technologies, expanding economic markets, increasing competition, and growing political and social forces are placing pressures on many organizations to adapt and to grow in response to these changes. If an organization wishes to maintain economic viability, its objectives, organization structure, policies, methods of operation, and personnel should be amenable to change.

Sales organizations appear particularly susceptible to environmental variables. As one of the boundary spanning units between the external environment and the firm, the sales area is often required to be the most flexible part of the firm. Baumes and Thompson found that three out of four of the 168 companies they surveyed in 1961 had made significant changes in their
sales and marketing organizations during the previous few years.¹

There are many environmental factors which have led to the need for reorganizing sales organizations. Perhaps the most important is the increasing importance of the large customer. Wolfe and Albaum found that about one-third of all products, orders, customers, salesmen, and sales territories generated from 70 to 75 percent of sales and profits.² This conclusion applied to all companies, regardless of size or type of product sold. The advent of integrated marketing systems seems to be resulting in even larger buying centers. There has been tremendous growth in the last twenty years in franchising operations, in retailer and wholesaler cooperative systems, and in mergers of various corporations. Some sales organizations are adapting to this trend by changing to specialized selling.³ Many sales


organizations have not adapted their structures to sell to their large, critical accounts, but pressures are being exerted on them to do so.

Another environmental factor is the changing nature of the purchasing function. Often other buying influences are more important in determining the vendor than the purchasing agent.¹ This shift in influence has made it necessary for salesmen to determine who is responsible for the purchasing decision. This demands a different selling technique and appropriate training to prepare salesmen for new approaches to selling. Purchasing decisions are becoming more centralized, decision-making for buying "systems" is moving to the executive level, and purchasing of staples is being relegated to the computer or contract buying.² These changes in buying habits have led to the need for reorganizing some sales organizations or, at least, changing sales training programs to prepare salesmen to cope with the changed purchasing patterns.


A third factor is the growing complexity of the products sold. The growth of system selling has made the product offering more complicated for many firms.¹ In solving customer needs, a salesman often needs assistance from engineering and other departments.² This has resulted in some firms using selling teams. Because of the more complex selling task resulting from new product developments, some changes are needed in sales training programs to prepare salesmen to sell more complicated products. Also, many firms are moving toward specialized selling using experts to handle the more sophisticated products.³ Thus, by trying to adapt to the needs of their customers, many sales organizations are being forced to reorganize their operations.

Other environmental factors to which sales organizations are adapting include the changing nature of competition, the great advances in transportation

¹Rieser, "He's Different," p. 248.


and communication, the growth of pre-sold brands, and the legal problems that arise with specialized selling efforts. The apparent trends toward raising decision-making higher in the buyer and seller organizations, toward system selling, toward more complex buyer-seller relationships, and toward fewer and fewer buying centers may have substantially lessened the importance of the territorial distribution of salesmen. Team selling and national account selling are becoming more prevalent.

The ability to adapt to external variables appears to be extremely important to a firm's success. In his essay on a normative theory of marketing, Alderson discusses how marketing organizations must learn to adapt to their environment and emphasizes that the survival of a system depends upon the control of adaptive processes.\(^1\) There is little or no research available, however, which explains how sales managers or marketing personnel in general can learn to control these adaptive processes.

Nature of the Problem

There seems to be an ambivalence about change among the personnel in sales organizations. Many of the salesmen and managers understand the need for changes and may want changes, but fear the consequences. There appears to be a fundamental conflict between the organization's need for change and the sales personnel's need for maintaining a sense of security. This conflict may manifest itself whenever changes are introduced within the organization. Management often needs to find a means of resolving this conflict if the objectives of the organization are to be accomplished.

The conflict between organizational and personal needs becomes especially apparent when changes in a sales organization involve a compensation change. The trends toward system selling, team selling, and national account selling are often accompanied by a shift away from straight commission plans toward straight salary plans, although the change is not usually that extreme. The whole career path of a salesman may be altered by a change in the reward system. Therefore, sales executives often must contend with conflicts arising both from changes in organization structure and in
compensation plans as a result of environmental pressures. Their success in resolving these conflicts may have a direct bearing on how well the organization survives within its competitive and economic environment. The problem simply stated, therefore, is:

In an increasingly dynamic environment where demands for adaptation of sales organizations must be met, how can change be implemented with a minimum of disruption to the personnel involved?

**Purpose of the Study**

The basic objective of this study is to measure the affective response of members of a sales hierarchy to a major change in the structure and in the promotion and compensation systems of their sales organization. The specific purpose of the study is to determine those factors which, by affecting attitudes, tend to promote or impede the implementation of change in a sales organization. This study is exploratory in nature. It does not purport to test any specific theoretical position. The general purpose is to test, reformulate, and refine a number of hypotheses which have been developed in the literature on organizational change.
The study does not consider the question of whether or not changes should have been made. It is assumed that the changes were made in the best long-term interests of the company. The purpose of the study is to focus on problems of implementing the changes with a minimum of disruption to those affected by them.

The study of organizational change has received much attention in the past decade. The complexity of these studies, however, makes it difficult to isolate key variables and to develop testable hypotheses. In discussing the difficulty of attempting the study of change processes, Barnes says, "any major organizational change involves complex approaches, relationships, and processes that have only been roughly identified and described in the literature."\(^1\) Although still in the formative stages, the work in organization theory will eventually make a significant contribution to management's knowledge of the dynamics of implementing change. Some

progress has been made in trying to synthesize knowledge in this area:

In the spring of 1959 the Foundation for Research on Human Behavior organized two seminars about change in organizational settings to review current knowledge in this area, and to draw attention to the need for research about planned or directed change. Participants included those who were in positions of responsibility for changes in business organizations and government agencies, university researchers who had studied major changes in organizations, and those who expected to take a principal role in anticipated changes in organizations. The sessions concentrated on the management of change in formal, hierarchically structured organizations such as typically exist in industry and government. Hypotheses and generalizations were sought concerning how changes might be brought about easily, efficiently, and satisfactorily.\(^1\)

The report that resulted from the meetings outlines four organizational case-studies and attempts to make generalizations useful to management and researchers concerned with problems in this area. The hypotheses and recommendations that resulted from these four studies provide direction for further research. Using these studies and other similar studies as background, the author will apply the knowledge and insight obtained to

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examine the management of change in a sales organization. Since the basic objective of the study is to measure the response of members of a sales hierarchy to a major change in their organization, the development of an instrument to measure the affective response to the changes is a preliminary, but important goal of the study. The validity of this instrument will then be examined through interviews and by testing its relationship to other items designed to measure members' attitudes toward the changes.

The specific aim of the research is to determine those factors which lead to positive or negative affective response to the changes. Correlations will be made between a number of personal variables -- such as age, tenure, and education -- and members' attitudes. Also, the study will examine in an exploratory manner the effect of organizational climate, perceived participation in the change process, and member loyalty on affective responses.

Social-psychological literature suggests that those aspects of the job which are most important to an individual will be prominent in determining his attitudes toward change. Trumbo discusses employee attitude
toward change in his research on an insurance company:

The way in which an employee responds to change in his job will be a function of his need structure. He will perceive the change in relation to those aspects of the job most important to him. If the change poses a threat -- actual or perceived -- to the important aspects of the job, it will be resisted. If it is perceived as potentially facilitating or enhancing of important job factors, hence potentially satisfying to his wants and needs, it will be accepted.¹

One goal of this study, therefore, is to determine what aspects of the members' jobs are most important to them. This will be attempted by having the members rank various aspects of the job as part of a questionnaire. Once it has been determined which aspects of the job are most important to them, the next objective will be to examine how each of these areas is perceived to be affected by the changes and to determine how members feel about each affect.

Open-ended questions will be used to determine whether members perceive a need for more information about the changes, to find which aspects of the changes

are liked and disliked, and to explore the general reaction to these changes as well as the perceived need for further changes.
CHAPTER II

PRIOR RESEARCH

Much of the literature on organizational change grew out of the research into the dynamics of individual and group behavior. Social scientists moved from laboratory experiments designed to understand human behavior to field experimental studies of complex organizations. These field studies have been greatly accelerated during the last twenty years and there has been a particular concentration on the study of organizational change. O'Connell comments on the development of the literature in his study of an insurance company:

Without such prior inquiry into the dynamics of individual and group behavior the relatively recent work on change in hierarchial systems could not have been so productive. It is important to note, too, that because of the character of the prior research and because of the people involved, most social scientists currently working on organizational change seem to have converged on a narrow range of approaches.\(^1\)

Leavitt also notes that the literature on organizational change has tended to take a common direction:

One is immediately struck by the fact that the literature dealing with organizational change is almost all people-oriented. Just in the last four or five years, for example, several volumes specifically concerned with organizational change have been published. All of them are people-type books.¹

There is a long tradition of approaching organizational change from a behavioral viewpoint. Since the Hawthorne studies of Mayo et al., social scientists have tended to view the informal group as the object of attention in planning change. One of the early studies was done by Coch and French in the clothing industry.² Their study focused on resistance to change in work procedures. It was found that resistance was reduced by modifying the manner in which change was introduced. Production standards were maintained or increased, absenteeism was low, and turnover was minimized in full participation groups. Those groups who had


representative participation had similar, but less satisfactory results. It was concluded that participation in change decisions reduces resistance to change. Alex Bavelas, working in the same industry, found that the use of group decision techniques on operators who had just been transferred resulted in marked increases in the rate of relearning, even though no skill training was given and there were no other changes in working conditions.¹

French replicated the Coch and French study in a Norwegian rubber footwear factory.² Although the original study was made on women workers, the Norwegian study was of nine groups of four men each. Five of the groups were experimental and four were control. The experimental groups participated in decisions involving what the piece rate should be, how it should be set, and which work group should make which product. In spite of the conflicts which could have arisen among the five groups, especially with regard to allocation of


product, the groups came out with independently written recommendations which were nearly identical. Therefore, management was able to accept their recommendations as they were presented.

These studies, along with other similar studies, have shown that participation can have the effect of increasing motivation to carry out decisions made and may result in increased satisfaction and productivity. French concludes his study with a word of caution, however:

The general principle is now no longer that participation is a good thing and has invariably favorable effects. Rather, the effects of participation may be large or small, favorable or unfavorable, depending on four or five conditions. Anybody who tries to make broad generalizations without taking these conditioning variables into account may be right more often than wrong, but wrong with discouraging frequency.¹

**Identifying Relevant Variables**

The problem that arises when studying organizational change is the identification and evaluation of the conditioning variables. In theory, field experiments like the ones cited are an ideal means of studying

these variables. They offer the possibility of controlled situations and before-after measurements of change. They also imply that the knowledge gained in the laboratory setting can be transferred to the field situation, affording the field worker with a tested methodological approach.

Field experiments, however, must always oversimplify the variables found within a complex organization. To change and study a single variable in a laboratory may be relatively easy compared with isolating, changing, and studying the variable within a complex organization. Because of this, many questions have arisen about the validity of studies such as the one done by Coch and French. For instance, what would have happened if the total participation group had not liked the proposed changes? Festinger comments on such experiments by saying that:

> It would seem clear that the experiments in industry such as have been described in (French's) chapter should not be called laboratory experiments. There is little or no attempt to set up special conditions. Typically, the situation is accepted as found and some manipulation is imposed. The manipulation of the independent variable is usually a simultaneous manipulation of a set of factors. The degree of control obtained in these experiments is usually not
sufficient to guarantee that the effects obtained are unequivocally related to the independent variable.¹

In spite of the pessimistic tone that such reviewers have shown, much progress has been made toward identifying and testing the relevant variables in the change process. Leavitt sites four interacting variables; task, structure, technology, and human.² These four variables are interdependent, as indicated in Figure 1, so that change in one usually results in compensatory change in others. The task variable refers to the production of goods and services and the accompanying subtasks. Technology refers to direct problem-solving inventions such as work measurement. Structure means systems of communication, systems of authority, and systems of work flow.


Approaches Used to Implement Change

The various approaches to organizational change can be categorized according to whether the emphasis is on people, structure, or technology. Technological change agents have positions such as production engineers, computer experts, or systems designers. Structural specialists work on organizational planning, work flow procedures, communication networks, and decentralization.
procedures. People approaches are used by social psychologists who try to change the organizational world by changing the behavior of actors in the organization.

All of these approaches have been used to introduce change in complex organizations, but there were few large scale studies of the change process before the 1960's. During the last decade, behavioral scientists became heavily involved in the study of organizational change, both as participants and as observers. Although behavioral scientists must deal with the four variables of task, people, technology, and structure, their major effort has been in the area of people approaches. There is, however, some evidence that people approaches -- action research, sensitivity training, managerial grid techniques, and similar approaches -- may be too slow for the rapid changes sales organizations are making. The managerial grid technique, for instance, may extend over several years:

Blake and his colleagues estimate the time required for the first four phases -- appreciation sessions, team training, horizontal linking, and setting of organization goals -- may be two years or longer. Implementing
them may require an additional two years.\(^1\) There is also some question about the long-range effect of people approaches. There is some evidence that the managerial techniques taught in these sessions may be modified by the organizational climate and that trainees may revert to the management policies established by tradition.\(^2\)

O'Connell\(^3\) did a case-study of an organizational change in an insurance company which involved the structural approach. In this study, the time span from the beginning of the engagement to the conversion of the first branch was less than one year and, even at that, there was rather intense pressure to speed up the process. The consultant involved in the change effort passed on his change-agent role in the implementation stage to newly appointed regional managers.


\(^3\)O'Connell, Managing Organizational Innovation.
The change program proved quite successful and the researcher proposed several implications for the theory of planned change:

In planning a change process, one would like to minimize the transition time between current behavior and proposed behavior. On the basis of this case study, certain factors seem critical in this effort to minimize the transition. First, where the behavioral change involves the acquisition of new skills, formal training and/or supervised learning by doing are necessary if a prolonged transition is to be avoided .

Second, in engineering the total field of forces around an organizational position in order to change the behavior of the occupants, prior attention will have to be given to parts of the behavioral context. A plan to simultaneously introduce a change at all levels seems to ignore the behavioral interdependencies such as the need for a mentor in the learning-by-doing process. Systemic alterations (in the authority structure, the reward system, the work-flow system, the information-flow system, and the physical structure), supported by an information and exhortation program, can induce a measure of immediate behavioral change and can serve as restraining forces, lest the behavioral changes get 'off track.'

O'Connell stresses the fact that people approaches to organizational change have so focused on the social system that there has been little progress in appreciating the leverage to be achieved in changing

1Ibid., pp. 143-144.
organizational behavior by technological or structural alterations.

Many of the hypotheses suggested by O'Connell will be tested in this research project. Although the objectives of the two change efforts are different, the company history, the change approach used, the authority structure, and the time constraints on the change-agents are all similar.

Sales organizations should adapt to rapidly changing market conditions with a minimum of transition time. Often the changes needed are systemic ones involving large-scale reorganization, and the only practicable technique for introducing change is the structural approach. Because of this, there is a great need for more research on the structural approach to change implementation. Also, little or no attention has been given to the effect of systemic alterations in authority structure, compensation systems, information-flow systems, and physical structure on the members of sales organizations. The information obtained from a case-study of a major organizational change in one sales organization should provide some direction for those marketing and social scientists who
will be responsible for implementing change programs in other sales organizations.
CHAPTER III

THE STUDY SITE

Sales organizations are constantly changing their methods of operation in response to changes in the market. Most of these changes are gradual, however, and the effect on the people involved is minimal at any one time. Periodically, however, a corporation reaches a point where rapidly changing technologies, expanding markets, and increasing competition force a major restructuring of the sales organization to assure economic viability in the future.

During the 1960's, many industries were faced with the problems created by technological advances in production and product development. These problems resulted because of the long transition period necessary while the marketing and servicing organizations retrained and restructured their forces. Perhaps no industry has been more effected by spiraling technology than the computer industry. This seems especially true for those companies that are just
entering into the computer field and are challenging the giants of the industry. One such company in the business equipment industry provided an ideal situation for the study of sales organizational change.

The company had expanded its products and markets gradually throughout its history, but during the late 1950's it began expanding and diversifying more rapidly. Corporate executives had external and internal pressures upon them to up-date the marketing organization as a result of this expansion, and consultants were called in to recommend a plan for action. During this period, it was suggested that a behavioral study be made of the change.

This case-study resulted from discussions with the consultants and the marketing staff at the company about the merits of an independent behavioral study. It was felt that such a study would provide an unbiased evaluation of a major change effort which would benefit the client organization as well as most other companies faced with the behavioral problems associated with change programs.
Approach to be Used

In the absence of any definitive research on the behavioral aspects of sales organization change which could be used as a guide, the case-study, personal interview technique appeared to be the most advantageous to use in gathering data. The majority of organizational change studies have used this technique.

This type of study has limitations because it is difficult to generalize the results derived from one firm to other firms. However, in a review of several change studies, Greiner found that "successful" change efforts do have some common characteristics.¹ Therefore, a case-study of one sales organization change could provide a foundation for further research. The case-study technique does have the advantage of allowing a more penetrating analysis than would be possible with other techniques.

Ginzberg and Reilley made a preliminary study of organizational change and in their suggested areas for research say:

Another useful approach would be to interview

various individuals being affected by a plan of change to determine how the process appears from their vantage point. It may well be that certain difficulties can be revealed only in this manner.1

Following the suggested technique, this study includes data gathered by interviewing many individuals being affected to get their views. The next section traces the organizational development of the company to be studied. This will be followed by an outline of the changes that were made.

Organizational Development

The Bemco2 Corporation was founded before the turn of this century by a dynamic pioneer in the world of business. It is now a worldwide organization employing more than 75,000 men and women in the manufacturing, selling, and servicing of its products.

The development of the sales organization can only be understood in light of the traditions established by the company founder. He believed that there was one best way to do everything and everyone should be required to

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2Letters stand for Business Equipment Manufacturing Company, a pseudonym.
learn and to follow the prescribed correct course. Working at Bemco was not a job, but a way of life. The founder was among the first to realize that successful selling depends on keeping ahead of the market, not on passively supplying the demand. One of his favorite slogans was, "we progress through change." In spite of this attitude, the company was singularly dedicated to the one-product concept. The organization, its salesmen, repair staff, and manufacturing personnel knew only one product and with this expertise the company achieved worldwide distribution and profit.

In the mid-1920's, the company began diversifying into other product lines under the direction of new management. The first major change involved many risks including a large investment, a long profitability lag, and an enormous retraining of the sales and manufacturing forces. Nevertheless, this diversification was to eventually double the company's markets.

The next major change took place early in 1942 when the War Production's Board ordered an embargo on production of business machines for the duration of the war. Until this period, most of the sales offices in
the United States were independent "agencies" who handled the Bemco products. Such a system was advantageous to the company since it reduced overhead and simplified selling and maintenance. As it grew, however, the company was hampered by the agency system over which it had little control.

Because there was no production during the war and manpower was limited, the independents were readily absorbed or replaced and the company established its own branch offices. After the war, the branches were expanded to employ more than 10,000 workers.

The company branches remained quite autonomous and each branch maintained its own service personnel and sales staff. This method of operation was quite successful as the growth record after the war demonstrated. The product line included some rather sophisticated equipment, but the company was able to train and expand its sales and service organizations to handle the new products.

The coming of the computer age in the 1950's was to bring the most sweeping changes in the company's history. The product orientation had been predominantly mechanical, but with the introduction of computer
technology, the company was propelled into the electronics era. The company entered into a long transition period during which the concepts of manufacturing, marketing, and product servicing were vastly changed. The costs that Bemco faced in developing a computer line were tremendous, and added to these were the heavy expenses of training manufacturing, marketing, and service people in entirely new fields. In addition, the company had to create many new types of peripheral equipment that would allow a total-system approach to information processing. The potential of such a system seemed tremendous and the corporate philosophy has been to forego some immediate gain in earnings which the growing conventional business provided to develop the electronic systems which appear to be the most profitable in the long run.

One of the reasons that the Bemco corporation is concentrating on the development of total systems is because it recognizes that the retail industry which it serves is undergoing many changes in the way it is doing business. A company vice president reported these changes in the company newsletter:

Retail firms are getting larger, fewer in number, and are consolidating their management control and buying influence. [Bemco's]
marketing development effort has to be expanded to meet the new information needs of our retailing customers.

Two and one-half years ago, the need for specialization was formally recognized with the formation of industry-oriented organizations at the home office level. The trend toward specialization has subsequently been carried down to the branch level. Another newsletter article reveals this trend:

Our product line and services have grown increasingly sophisticated. Competition has become much more intense. It is these factors that led to the extensive reorganization of our overall corporate management during the past few years. And now the time has come for some basic revisions in our field management organization as well.

The Need for Organizational Change

There are several factors which led to the need for a reorganization of the field sales force. Briefly, these include the increased complexity of the product offering; the emphasis on a total-system approach to marketing; the changing nature of customers, especially the trend toward larger and fewer customers; the demand for better information processing equipment; the consolidation of customer's buying influences; and,
perhaps most important, the increased competitive pressures from other firms.

Also, there was an inherent instability of management caused by the old organization structure. Most of the sales personnel were constantly moving through the organization, and there was little continuity of management at any given level. Promotions were often based on increased sales at the branch level; therefore, branch managers tended to be more sales conscious than consumer or expense conscious. Something had to be done to stabilize management positions because customers were demanding a more concentrated sales effort; more control over branch expenses was necessary; and more communication, sales, and service support at the local level was needed.

Under the old structure, branches at Bemco were quite autonomous. Sales and service reported directly to the branch manager. If additional help was needed, the branch would contact the division and the division would supply assistance from other branches or from the home office. Since there were only six district managers with thirty or forty branches to supervise, communication was difficult and district support seemed
distant and faulty. Communication among branches and districts was also minimal. Reorganization was needed to break down the walls around the branches and establish both support and communication at the local level.

In addition, the company's effort to expand into electronic data processing equipment and information processing systems changed the nature of the selling and supervisory tasks for many managers. For several years, the home office had been forming industry-oriented organizations to make the selling effort more specialized by customer groupings. In order for these new functional groups to operate efficiently, there developed a tremendous need for close cooperation between the home office and the branches. The reorganization of the home office marketing division along industry lines provided the model for industry-oriented departments throughout the company. There was a pressing need, therefore, for changes in the field marketing organization structure.

The New Organizational Structure

On November 20-21, 1968, in meetings of branch managers in New York and Dallas, several major changes in the domestic marketing organization were announced.
To understand the change in the division management structure, it is perhaps best to outline the structure as it had existed. Originally, six division vice presidents reported to the vice president of domestic sales. These six men each supervised approximately thirty-five to forty branches, assisted by two division managers (see Figure 2).

![Diagram of old organization structure]

**Fig. 2.--Old Organization Structure**

Under the new structure, the country was split into two large divisions, Eastern and Western, each
headed by a division vice president who reports to the vice president of domestic sales. Each division contains eleven regions, headed by a regional manager who reports to his division vice president. Between nine and twelve branches are supervised by each regional manager. Organizationally, therefore, a new layer of management, regional managers, was added (see Figure 3).

![Figure 3 -- New Organization Structure](image-url)
This structural change did not directly affect the branches since all the organizational changes were in positions above the branch manager level. However, the impact on branch operations was quite significant. First of all, branch managers now have closer supervision over their efforts; nine to twelve branches under one man versus thirty-five to forty previously. Secondly, the regional manager now provides specialized types of help and service which branches could not afford to have themselves. Thirdly, branch managers have lost much of their autonomy and must adapt their sales goals to match the objectives established at the corporate level. The new program of management by objectives has forced all managers in the branch to do more managing and report writing than previously. Also, their success at accomplishing these tasks is more thoroughly and carefully evaluated.

The new organization structure provided nearly one hundred new management positions. Since most of these people came from the branches, it created many immediate promotions. Ten more service supervisors were needed, twenty-two office managers were placed at the regional level, and twenty-two sales and promotion
managers were needed in addition to the increased number of regional managers. Because of the many new positions created, the new organization structure is more costly than the old structure even though many managers had received pay cuts as a result of the changes.

The structural change accomplished several corporate objectives. First, it reduced the span of management and provided for better planning and direction. Second, it improved support capabilities in that it reinforced branch capability with support in all areas of sales and service which is close enough to provide effective back-up for branches. Third, it provided for a more uniform level of service to customers regardless of the size of branches and enhanced capability to serve customers whose geographic locations do not coincide with branch boundaries. For example, the chain and department store organization now is under regional supervision rather than being attached to branches as it was previously. This allows for a more coordinated effort among customer institutions across branch boundaries. Fourth, it brought the field organization structure in line with the industry-oriented organizations at the home office level. This allows for better customer
knowledge since sales efforts are concentrated on industry groups. Fifth, it provided a flexible framework for adjusting to changing markets and an organization capable of internal growth.

The changes in the organization structure necessitated a major change in the compensation program as well. The regional management position created by the structural change was designed to offer increased status and authority over the branch manager position. In order for the position to be financially rewarding, major adjustments had to be made in the compensation system for all managers. Some discussion of the old compensation plan would demonstrate why changes were needed.

**The Old Compensation Program**

Branch manager compensation based upon a small salary plus profit sharing had been in effect since Bemco took over the operation of the branches from franchised agents in the early 1940's. Profit sharing was a natural outgrowth of the conversion from agents to company-owned branches. The agents were in business for themselves, and a simple profit sharing plan enabled
the company branch managers to continue to run their operation with considerable autonomy.

In the many years since the branch manager compensation plan was adopted, many changes occurred which had a major affect on the operation of branches. Sales volume, for instance, grew substantially and this resulted in a tremendous growth in the size of branches. The product offering had grown from a relatively simple line to more sophisticated products including electronic data processing equipment and complex systems for information processing. The new, more complex products gained an ever increasing share of the total sales volume and profit potential. The markets for Bemco products also became more complex and more competitive. Finally, the income tax structure that affected managers' real earnings went through major revisions. In order to meet these changes, successful branch management required more organization building skills, more knowledge and participation in all areas of the increasingly complex branch operation, more sophisticated control over branch expenses, and many new or increased non-selling administrative duties.
New Management Responsibilities

Along with the changes from agents to company-operated branches and the other major changes in the business over the last twenty years, home office management changed its role by assuming participation in and control of the field sales effort. Many major marketing programs were developed and administered from the home office by large staffs of sales and sales support specialists. In the last ten years, home office staff support increased from about 200 people to more than 2,000. The company's sales and service training programs became major items of expense. Expansion into new markets required enormous expenditures for the research and development of new products.

As an increasing amount of the total marketing responsibility became more centralized, it became necessary to assume more control over the branch operations where the home-office efforts and financial commitments were translated into action. Unlike the agent, who was largely in business for himself, the branch manager became heavily relied upon to carry out company established programs designed to meet broad corporate objectives. Because of the changed conditions
outlined above, it appeared necessary to change the managers' compensation system to reflect their changed responsibilities.

Inequities in the Old Compensation Program

In addition to the problems associated with the changed responsibilities and duties of branch management, there developed over the last twenty years a problem of inequities in pay among managers in the branches. Because of the great increase in business and rapid growth in the size of branches, some branch managers, who shared in the profits of the branches, were receiving extremely high wages. The ultimate goal of most members of the sales organization, therefore, was to become the manager of a large, profitable branch. Because this ultimate goal provided outstanding monetary returns, sales personnel were willing to accept rather low paying positions which were steps in the career path leading to branch management.

The tradition of rewarding individuals with high paying jobs for accepting less desirable positions resulted in a complex and unwieldy system of promotion and compensation. The following is a hypothetical example of how the system worked. A successful senior
salesman would be promoted to a vocational manager position and his compensation would increase substantially. After several years as a vocational manager, he would be promoted to a home office staff job where his compensation would be substantially reduced. After a few years, he could get a small branch of his own and have the potential of very high wages. If he were successful, he might be promoted to a larger, less successful branch with high sales potential, but much lower personal income. He could then become a district vice president at even lower wages, but ultimately he could become branch manager of a large, profitable branch.

This career path varied considerably, but the nature of promotion and compensation changes were always similar. If a salesman wanted to rise in the company, somewhere along the line he had to accept positions which were rather low paying. At the end of the career path, however, was the "carrot" which provided the incentive to accept less rewarding jobs and work hard at them -- management of a large, profitable branch.
The new career path for managers which resulted from the organizational changes no longer makes it necessary to move up to undesirable positions in order to be rewarded with a better branch. Managers in the branches had their compensation adjusted so that equal positions pay equal salaries. Promotions can now be accompanied by an increase in pay. This adjustment was necessary because the compensation being paid for the same management position varied significantly under the old plan.

The New Compensation Program

The widely fluctuating salary plus commission type of compensation was eliminated under the new system, and all the new management positions have a salary which is administered on a consistent plan. Each position has a salary range which is determined by the dimensions of the responsibilities. It is now possible to increase salaries both within a range and as a person moves to a higher range. Annual increases make it more practical to remain longer in one position, providing greater continuity of management than pertained before the changes.
Annual pay adjustments are based on a performance appraisal by the man's manager. In this new management by objectives program, the objectives are to be established by the manager and his subordinate manager working together. They determine what goals are fair, what level is attainable, and what methods of measurement are to be used. The six results used to measure branch managers, regional managers, and division vice presidents are sales, deliveries, gross profit, general expense, net profit, and manpower. A weight for each of the factors is established each year by the marketing division to reflect the relative emphasis desired.

Under this plan, superior performance is rewarded with extra bonus earnings. Bonuses are substantial, typically amounting to fifty percent of salary, but not limited to this level. Sales achievement is recognized starting at eighty percent of objective, with substantial increases in reward as achievement approaches the one hundred percent level. Production beyond one hundred percent is encouraged so that two hundred percent in sales earns two hundred percent of the normal bonus. The same applies to deliveries and the other objectives.
The rating calculated on the basis of results compared to objectives is applied to the present salary to calculate the bonus. This creates an added impact from salary adjustments, it maintains the relative income levels among jobs, and it provides a generally stable income level. The relatively high salaries in the new compensation plan offer improvements in fringe benefits. Salaries were increased to approximately forty percent over the previous plan, so contributory retirement was increased. Life insurance and salary continuance plans were increased proportionately also.

In summary, the company introduced three major changes in the marketing field organization. First, there was a restructuring involving the introduction of a new level of management, regional managers. This resulted in less autonomy for the branches, but it reduced the span of management, improved support to the branches, provided more uniform customer service, and made the organization more flexible. Second, there was a change in the managerial career path. A man can now look ahead and see the opportunities. He can determine where he wants to go and see the steps required to get
there. Third, there was a change in the compensation plan. When a promotion moves a person to a new range, a salary increase is available. More responsibility is accompanied by more pay.

The next section of this study will trace the development of the decision to introduce these changes and will outline the procedure used to introduce them. This will be followed by an appraisal of the affect of the changes on the members of the sales organization.

**Announcing the Changes to Managers**

The internal pressure to make some changes in the field sales organization and to revise the career path and compensation system became acute in 1968. Several staff members had been working on a complete plan of reorganization, including recommendations for compensation changes. Consultants from a nearby university made recommendations and pointed out the environmental changes which demanded that Bemco change its organizational structure to remain viable. Also included among the people who developed the change plan were men with many years experience in the field,
a man who had been a branch manager, and several members of the home office marketing staff.

In the fall of 1968, top management recognized the pressing need for action and saw an opportunity to introduce widespread changes as a total package. Several key management positions unexpectedly opened and it was necessary to make several changes to fill these vacancies. Taking advantage of this opportunity to make top level changes, the company announced the organization and compensation changes at meetings of branch, region, and division managers in New York and Dallas. These meetings were held in late November, 1968. The effective date for the new plan to be adopted was January 1, 1969.

Before the president, the chairman of the board, and the vice president of domestic sales discussed the background for the changes, the group vice president of domestic marketing outlined what the changes were, the objectives to be attained, and what the new structure and compensation plans would be. Included in these remarks was the announcement of a new system of management by objectives whereby certain objectives would be established and bonuses amounting to 50 percent or more of salary would be based on accomplishing these objectives.
No details were given about the computation of bonuses, when they would be paid, or how the proposed change program would be implemented at the branch level.

At the end of the meeting, each branch manager was notified of his new salary in a private session with his regional manager. Typically, the salary was higher than what the man was making as a salary previously, but the total actual and potential compensation was cut significantly. For some managers, the new compensation plan resulted in a 50 percent or more reduction in earnings for 1969. Other managers received an increase in total compensation, but, regardless of the direction of the change, almost every manager had his compensation significantly affected by this announcement.

Announcing Changes at the Local Level

The task of announcing and implementing the change program at the regional level was delegated to the newly appointed regional managers. This gave regional managers an opportunity to establish their new role as coordinators of corporate policy at the local level. Videotapes of the New York meeting together with
printed outlines of the change program were used by the
regional managers to announce the changes to the sales
(vocational) managers in their areas. Announcement of
salary adjustments followed the presentation of the
change program in private sessions with the regional
manager. Sales managers were also significantly
affected by the compensation changes, many having their
total compensation cut by 50 percent or more. Again,
some managers received an increase, but almost without
exception sales managers also had their compensation
significantly affected by the changes.

Branch managers were given the responsibility of
announcing the change program to their salesmen.
Printed outlines of the new organization structure, the
new regional staff set-up, the new compensation plan,
and the objectives of the program were available to
the branch managers to structure their remarks. Salesmen
were not immediately affected by the changes except for
the fact that their career paths and future compensation
potentials were greatly altered.

Many of the details regarding the objectives to
be accomplished by individual managers, the method of
determining these objectives, the determination and
distribution of bonuses, and the responsibility and authority of the new divisional staff were not announced at any of the meetings. Much of the implementation of the program became an exercise in learning by doing. There was much uncertainty created by this rapid implementation, but many of the managers seemed to feel that everything would be clarified as the program took form.

In summary, the company announced major changes in the structure and the promotion and compensation systems of the sales organization to be implemented on January 1, 1969. These changes were introduced to branch managers at special meetings held in New York City on November 20, 1968, and in Dallas on November 21, 1968. Only about five weeks elapsed between the time the change was announced and the new plan was in effect.

Most of the task of implementing the changes went to the newly appointed regional managers. This included notifying the sales managers of the changes and their new salary levels, providing direction for the new program of management by objectives, and answering any questions from sales personnel. This was quite a
task for the regional manager considering his position was a new one involving whole new communication channels, new authority and responsibility levels, and supervision of several new staff members.

The decision to make the changes was made rather authoritatively. No special effort was made to consult the members of the sales organization in designing the program other than through the contributions of the marketing staff. The change was introduced to the whole field organization at the same time because the new compensation plan and the new management by objectives program were to be universally adopted and there did not appear to be any reason for delay.

Details about the weights to be assigned the various objectives, about when bonuses would be paid, about the future effect of the plan on salesmen, and about many of the other aspects of the changes were communicated to the field men as they were developed. During the period from January 1 to April 15, 1969, the author visited several branches to measure the attitudes of the field sales organization during this implementation phase of the changes.
CHAPTER IV

METHODOLOGY

Development of Hypotheses

The literature on change indicates that successful change programs are in large part a function of the response of the participants. Careful consideration of necessary changes at the executive level do not necessarily lead to successful change implementation. Decisions to accept or resist the change effort are also made at the lower management and salesman levels and these decisions could have a great effect on the success of the change.

Since the practical problems of change implementation are associated with negative response to change, the emphasis of applied researchers has centered on resistance to change. The concept of resistance to change is a generalization which usually refers to change not as a general phenomenon, but to a specific
change in the environment. There has not been consensus in the literature as to the definition of resistance to change. French distinguishes between simple opposition to negative aspects of the program and resistance to change:

In the light of more recent research and theory, we can define resistance in terms of the reaction of one person to an influence attempt by another. Suppose that A attempts to influence B to change in a given direction and that this sets up a tendency in B to change in the opposite direction. That tendency is what we call resistance, and is based on the act of A. Resistance does not mean merely that a worker opposes technological change because it may mean less income for him or because he is afraid of unemployment. Those would be good bases for opposing a change, but they would not be based on the act or manner in which the change was introduced. In this way, we distinguish between simple opposition and resistance.2

Salesmen are not faced with the same routine tasks that production workers, who have been the subject of most change studies, encounter. Since salesmen experience more variety in their jobs, they may welcome change. It could be that salesmen would promote change rather than resist it. One purpose of this study, therefore, is to measure resistance to change in a sales hierarchy.

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Using French's definition, resistance is defined as opposition to the manner in which the change was introduced.

Successful change efforts, as outlined by Greiner and others, are characterized by use of the participative management approach. This approach accents communication to employees of the reasons for change and participation of employees in the change program. Since salesmen are often the first members of the firm to recognize change in the environment, the need for change may be more apparent to them than to management. Salesmen may provide leadership in change implementation and not be a source of resistance. Management may not be as aware of the need for change and resistance to change may come from the upper levels in the sales hierarchy. This study will evaluate resistance to change among various levels of the sales hierarchy. It will also explore the attitudes of sales organization members toward participation in change decisions.

Because so little has been written about the attitudes of sales personnel toward organizational change, no predictions can be made about their reactions except generalized hypotheses that members of organizations
usually resist change. In order to determine the reactions of members of one sales organization to major changes in their operation, the following hypotheses, stated in the form of questions, will be investigated:

1. Do individuals who feel that their opinions were considered when the changes were made have different attitude scores from those individuals who feel that their opinions were not considered or are uncertain about whether they were or not?

2. Do individuals who feel that their opinions should have been considered when the changes were made have different attitude scores from those individuals who feel that their opinions should not have been considered or are uncertain about whether their opinions should have been considered or not?

3. Do individuals who perceive the change as being necessary because of changing customer demands have different attitude scores from those individuals who are uncertain or did not perceive the changes as necessary because of changing customer demands?

4. Do individuals at the salesman level of the hierarchy have different attitude scores toward the changes from individuals at the vocational manager level
or individuals at the branch and regional manager levels?

5. Is there a difference in attitude scores toward the changes among individuals from different regions?

6. Do individuals who perceive the manner in which the organizational changes were introduced as satisfactory have different attitude scores from those individuals who perceive the manner of introduction as not satisfactory?

7. Do individuals who feel that the information about the organizational changes was sufficient have different attitude scores from those individuals who feel that the information given about the changes was not sufficient?

8. Do those individuals who are confident the company will clarify any problems they may have as a result of the changes have different attitude scores from individuals who are uncertain or who do not feel the company will clarify these problems?

9. Do individuals who feel that the information given about the career path change was sufficient have different attitude scores from those individuals who
feel that the information given about the career path change was not sufficient?

10. Do individuals who feel that the information given about the compensation change was sufficient have different attitude scores from those individuals who feel that the information given about the compensation change was not sufficient?

11. Do individuals who feel that the amount of money they will make this year will be increased by the change have different attitude scores from those individuals who feel that their income will be decreased or from those individuals who are uncertain or see no change in income this year?

12. Do individuals who feel that the amount of money they will make in the long-run will be increased by the change have different attitude scores from those individuals who feel that their income will be decreased or from those individuals who are uncertain about their income in the long-run?

13. Do individuals who perceive the opportunity for making an equivalent salary at another company as very likely or likely have different attitude scores from those individuals who perceive the opportunity for
making an equivalent salary elsewhere as some, slight, or not at all?

14. Do individuals who perceive the opportunity for obtaining an equivalent position at another company as very likely or likely have different attitude scores from those individuals who perceive the opportunity for obtaining an equivalent position as some, slight, or not at all?

15. Do individuals who feel that the organizational changes will have a significant effect on their job have different attitude scores from those individuals who feel that the changes will not have a significant effect or are uncertain about the effect?

16. Do individuals who feel that the effect of the organizational changes will be good have different attitude scores from those individuals who feel that the effect will be bad or are uncertain about the effect?

17. Do individuals who have consistently made quota have different attitude scores from those individuals who have not consistently made quota or who did not qualify for quota for at least four years?
18. Is there a difference in attitude scores among individuals with different educational backgrounds?

19. Is there a difference in attitude scores among individuals of different ages?

20. Is there a difference in attitude scores among individuals who have been with the company for different periods of time?

Once it has been determined which factors, by affecting attitudes, tend to promote or impede the implementation of change, recommendations can be made toward introducing organizational change with a minimum of disruption.

**Population and Sample**

The objective of this research was to determine those factors which affect attitudes toward systemic change among members of the sales organization. The population, therefore, included all members of the field sales organization. It did not include the home office staff, the regional staff, those people connected with business equipment forms and paperwork, nor any service or support personnel.
Presently, the sales organization is geographically divided into 22 regions. There are 220 branches within these regions. In order to get opinions from different areas of the country, six regions were chosen to be studied: Los Angeles, Dallas, Atlanta, New York, Columbus, and Chicago. All of the branches within these regions were contacted except one branch that was not located in the United States. Since regional managers had much of the responsibility for implementing the changes, every regional manager was included in the research.

In addition to the 22 regional managers, the sample included 35 branch managers, 95 vocational managers (sales managers responsible for direct supervision of salesmen), and 148 salesmen. An attempt was made to contact all of the branch and vocational managers from each branch and two salesmen under each vocational manager. It was difficult to locate some of these men because the change had resulted in many transfers and promotions. The final sample included 8 regional managers, 30 branch managers, 47 vocational managers, and 59 salesmen. The breakdown of respondents by region is as follows: Los Angeles - 22, Dallas - 15, Atlanta - 18,
New York - 21, Columbus - 37, and Chicago - 29.

**Method of Collecting Data**

Data for this study were collected through questionnaires. The same questions were used for all levels of the sales hierarchy. Copies of the cover letter and questionnaire may be found in the appendix.

The questionnaire was developed after a series of interviews with people connected with or knowledgeable about the company and the organizational change. Each question was carefully conceived, critically reviewed by various members of the sales organization, and revised before it was included in the final questionnaire. A test questionnaire was prepared and administered to a sample of twenty managers and salesmen. Follow-up interviews with these men were conducted to get their general reaction to the questions and to obtain suggestions for improvement. The final questionnaire was approved item by item in a group meeting of marketing staff members from the company.

Revised questionnaires were either mailed or delivered personally to the six regions included in the study. The regional managers were contacted by the home
office to explain the study and to give corporate approval of the research. Interviews were conducted with managers and salesmen from the Chicago, Columbus, and New York regions to obtain supplementary data about what was happening in the field. These interviews also provided an opportunity to assure field men that the study was an independent research effort and that all answers would be kept confidential. Private unstructured interviews were conducted with 2 regional managers, 13 branch managers, 27 vocational managers, and 20 salesmen.

Questionnaires were mailed to the participants in hand addressed, stamped envelopes. Self-addressed, stamped return envelopes were included. The methodology used in the questionnaires followed the format used by Banks and Trumbo in their research on steel company and insurance company employees, respectively.

Analysis of Data

The first objective of the research is to develop an instrument to measure attitudes of the sales hierarchy

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2Trumbo, "Attitudes Toward Changes."
to the organizational changes. Ten items from the questionnaire will be used as an index of attitudes toward the changes. If the development of such a scale was the primary purpose of the research, more items may have been included. However, similar research studies, such as the one on attitudes of insurance employees toward change by Trumbo,¹ have successfully included fewer than ten items. It is believed that the ten items listed below will distinguish between members with positive and negative affective responses to the changes:

1. I feel uncertain about what my job will require as a result of the organizational change.

2. In general, the changes made are a good thing.

3. I was better off before the changes than I am now.

4. In the long-run, these changes will make my job a better one.

5. I feel the changes made are not fair to me.

6. The competitive position of the company will be stronger as a result of the organizational change.

¹Ibid., p. 25.
7. These changes do not fit at all into my long-run career plans.

8. I support these changes because they are best for the company.

9. I will be able to do a better selling job as a result of the organizational change.

10. The changes made were in my best interest.

Responses to the above items will be scored by the Likert technique. Since this study is an exploratory one, the Likert approach appears to offer a simple, yet adequate procedure. Responses will be on a five-point scale from strongly agree to strongly disagree. The items on a Likert-type scale should have operating characteristics that are monotonically increasing functions on the attitude continuum. That is, the more favorable a person's attitude, the higher the expected score for that item would be. Since some items are stated negatively, the scoring method would be reversed on those items. Responses to all items will be coded from one to five and punched on computer cards with other questionnaire and personal data.

Typically, mean item scores for upper and lower groups of about 25 percent of the total sample are
compared. The T test will be used to evaluate the significance of the difference between group means. An item analysis will be made to determine whether each question separates positive versus negative responses to a significant degree (p<.05 or better). Also, summated scores for the upper and lower 27 percent of the sample will be compared. Raw scores may vary from 10 to 50. After summated scores are computed, a sample mean and standard deviation will be computed.

Using mean attitude scores as a measure, the twenty hypotheses will be tested. The hypotheses are stated in the form of questions for two reasons. First, this is an exploratory study and it would be difficult to predict the direction of difference between groups. Second, the author did not want to bias the answers in any way by prejudging the sample. Consequently, two-tailed tests will be used.

Each hypothesis will be tested by evaluating the null hypothesis that there is no significant difference between the mean attitude scores of the various sample groups. For example, the first null hypothesis is:

Individuals who feel that their opinions were considered when the changes were made will not have different attitude scores from those individuals who feel that their opinions were
not considered or are uncertain about whether they were or not.

If there is a significant difference between the three groups, then the hypothesis will be rejected and T tests will determine which group had the most positive attitude, which group was less positive, and which group had the least favorable attitude scores. The same procedure will be applied for all twenty hypotheses. Where the hypothesis includes more than one variable, analysis of variance will be used to test for significance before the T test is used between groups. By testing the hypotheses this way, it may be determined which factors are important in causing positive versus negative affective response to the changes.
CHAPTER V

REVIEW OF FINDINGS

The Research Instrument

One of the primary objectives of this study was to develop an instrument that would measure generalized affective attitude of sales personnel toward an organizational change. Ten items were included in the questionnaire to measure positive versus negative attitudes. Responses were recorded on a five point scale ranging from strongly agree to strongly disagree. The items were coded from one (negative affective response) to five (positive affective response) and mean item scores were computed for the sample. This methodology followed the procedure outlined by Likert.¹

After experimenting with various methods for scoring his scale, Likert found a simple technique which involved ordering the response alternatives from negative to positive and assigning equal interval values.

The reliability of odds versus evens for this method yielded essentially the same values as those obtained by a more complex (sigma) method of scoring (approximately .86).\(^1\) Since the simpler method of scoring proved a reliable technique for measuring attitudes, it was adopted for use in this study.

Means of the upper and lower 30 percent of the total sample were compared to determine if there was a significant difference in affective response for each item and for a total score of all ten items. Several t tests were used to determine whether there was a significant difference between group means. Results are presented in Table 1.

All of the differences were statistically significant at the .01 level. Since all items differentiated between the two groups, in the same direction, they were combined to make up an attitude index. Summary scores were computed for the upper and lower groups using the ten items. The difference was statistically significant \((t = 24.99, p<.01)\). It therefore appears that the attitude index is a meaningful instrument for measuring affective response to change.

\(^1\)Ibid.
### TABLE 1

ANALYSIS OF THE TEN ITEMS INCLUDED IN THE ATTITUDE INDEX

<table>
<thead>
<tr>
<th>Questionnaire Item</th>
<th>Mean Scores</th>
<th>Difference</th>
<th>t</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower 30%</td>
<td>Upper 30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2.80</td>
<td>3.95</td>
<td>1.15</td>
<td>5.37</td>
</tr>
<tr>
<td>3</td>
<td>2.55</td>
<td>4.55</td>
<td>2.00</td>
<td>11.20</td>
</tr>
<tr>
<td>4</td>
<td>1.73</td>
<td>4.00</td>
<td>2.27</td>
<td>10.44</td>
</tr>
<tr>
<td>5</td>
<td>2.48</td>
<td>4.38</td>
<td>1.90</td>
<td>13.01</td>
</tr>
<tr>
<td>6</td>
<td>2.42</td>
<td>4.60</td>
<td>2.18</td>
<td>12.38</td>
</tr>
<tr>
<td>10</td>
<td>2.53</td>
<td>4.70</td>
<td>2.17</td>
<td>12.74</td>
</tr>
<tr>
<td>11</td>
<td>2.75</td>
<td>4.48</td>
<td>1.73</td>
<td>9.56</td>
</tr>
<tr>
<td>13</td>
<td>2.78</td>
<td>4.40</td>
<td>1.62</td>
<td>10.09</td>
</tr>
<tr>
<td>14</td>
<td>1.95</td>
<td>4.03</td>
<td>2.08</td>
<td>10.54</td>
</tr>
<tr>
<td>15</td>
<td>1.93</td>
<td>4.03</td>
<td>2.10</td>
<td>12.07</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.
Raw scores on the attitude index ranged from 13 to 50 (possible range was from 10 to 50). The sample mean was 33.56, with a standard deviation of 8.13. The distribution of scores showed no extensive skewness. There were 143 respondents in the final sample. Two late respondents were not included in the attitude index but were included in later analyses.

The bulk of this chapter will be devoted to analyzing the twenty hypotheses using the attitude index to determine what factors seemed influential in causing high versus low attitude scores. Before any attempt is made to evaluate attitudes, however, it is necessary to discuss the validity of measuring attitudes toward an organizational change.

Validity of Measuring Attitudes

The purpose of measuring affective response to organizational change is to determine those factors which lead to negative versus positive attitudes. Management may then attempt to improve attitudes by altering those factors which cause negative affect and emphasizing those factors which cause positive affect. By improving attitudes, management attempts to minimize resistance to change.
The relationship between attitudes and overt behavior is not necessarily a direct one. One who feels negatively and resistant toward a change may not resist it in a manner that directly reflects his attitude. His feelings, nevertheless, may influence his behavior in more subtle ways.¹

When asked in an open-ended question what they thought people at their level of the sales organization would do if they did not like the changes (Question 17), 43 percent of the respondents said others would probably leave the company. Another 27 percent said others would "wait and see" and would seek answers to their problems while trying to adjust. About 15 percent thought that others would grumble and work with less enthusiasm. Since a significant percentage of the respondents felt that others would quit if they did not like the changes, an improvement in attitudes may result in less turnover. Coch and French found that increasing participation resulted in a significant drop in turnover.² When asked


in another open-ended question what problems they thought the company would have as a result of the changes, 30 percent of the sales personnel responding said that turnover would be the biggest problem. Another 25 percent cited lower morale and a resulting slowdown in drive and effort as the major problems.

Since the people affected by these changes perceive certain problems developing, it is probably a safe assumption that problems will develop. The purpose of measuring attitudes is to determine what aspects of the changes may be causing negative attitudes so that resistance to change caused by the problems may be minimized. The measurement of attitudes may thus be considered as a valid means of promoting the implementation of organizational change.

Information Received and Attitudes

One of the variables that seemed of key importance in studying the effects of the change program was the amount of information that field personnel perceived as receiving. Insufficient information about changes and their probable effects sometimes causes those involved to become apprehensive. Judson comments on the effect
of information on resistance to change in his book about change implementation:

There is a direct relationship between how much those involved in a change understand about it and all its implications, and their resistance to it. When as many of these people as possible understand as much as possible about that change (and in particular about how it will affect them), their resistance to it will probably be lessened. When, on the other hand, little information is made available, a vacuum will be created by the lack of facts. This vacuum will be filled by conjectures and assumptions. In such circumstances, resistance to change is likely to be great.¹

In the present study, three questions were designed to measure whether the information field personnel were receiving was perceived as sufficient or not. It was hypothesized that those individuals who perceived the information about the organizational change as sufficient would have more favorable attitudes toward the changes than those individuals who perceived the information to be lacking in some respect. Table 2 shows that there is a significant difference between individuals who perceived information about the organizational change as sufficient and individuals who perceived the information as not sufficient (t = 3.60, p<.05). The null hypothesis that there is no difference

¹Judson, Manager's Guide, p. 79
is rejected: individuals who perceived organization information as sufficient have attitude scores significantly higher than individuals who do not.

**TABLE 2**

**COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY PERCEIVED INFORMATION ABOUT THE ORGANIZATIONAL CHANGES**

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Sufficient</td>
<td>36.41</td>
<td>55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Not Sufficient</td>
<td>31.53</td>
<td>86</td>
<td>4.88</td>
<td>3.604</td>
<td>&lt;.05</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

About 60 percent of the respondents felt that the information about the organizational changes was not sufficient.

More information was available about the organizational changes than was available about the career path changes. Hypothesis 9 questioned whether individuals who perceived the information about the
career path changes as sufficient would have different attitude scores from individuals who did not. Table 3 summarizes the analysis.

TABLE 3

COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY PERCEIVED INFORMATION ABOUT THE CAREER PATH CHANGES

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Sufficient</td>
<td>37.43</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Not Sufficient</td>
<td>31.02</td>
<td>87</td>
<td>6.41</td>
<td>4.859</td>
<td>&lt;.01</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

Results indicate that the perceived information received about the career path changes also significantly differentiates between those individuals who had high versus low attitude scores (t = 4.86, p<.01). The null hypothesis of no difference is therefore rejected. About 60 percent of the respondents felt the information about the career path changes was not sufficient. Career path information may be more critical than
organizational information because attitude scores were slightly lower for those individuals who desired more career path information.

Because of the significant changes made in the compensation plan for managers, it was felt that the information received about these changes would be important to the field personnel. At the time this study was conducted, field personnel had not received the details about what objectives they would be expected to meet, what weights would be assigned these objectives, or when bonuses would be paid. Hypothesis 10 questioned whether individuals who perceived the information about the compensation plan as sufficient would have attitude scores significantly different from those who did not. Table 4 summarizes the analysis. Results show that there is a significant difference ($t = 4.90, p<.01$) between individuals who perceived the information about the compensation changes as sufficient and those who did not. About 70 percent of the respondents felt that the information was not sufficient.

The results of the evaluation of the effect of information on attitudes show that this indeed is an
TABLE 4

COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY PERCEIVED INFORMATION ABOUT THE COMPENSATION CHANGES

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sufficient</td>
<td>38.21</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Sufficient</td>
<td>31.39</td>
<td>98</td>
<td>6.82</td>
<td>4.900</td>
<td>&lt;.01</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

An important variable which, by affecting attitudes, may promote or impede the implementation of change. Individuals who were satisfied with the information they received had significantly higher attitude scores than those who desired more information. Since those who desired more information made up from 60-70 percent of the respondents, it may be expected that rumors about what was happening would be prevalent. Interviews with field personnel revealed that many rumors were circulating and that factual information was eagerly sought. Apparently, one way that management could improve the attitudes of the field sales force would be to provide
more information about the changes, especially the career path and compensation changes.

**Perceived Need for Change and Attitudes**

Sales personnel are often aware of changes in competition, the need for different sales approaches, and the need for a company to adapt to these changes. Salesmen are especially aware of the changing demands of their customers that result from other environmental influences. Those individuals who feel that organizational changes were needed to meet the changing demands of the company's customers were hypothesized to have higher attitude scores than those who were uncertain about such a need or did not see any need to change. Table 5 shows that there is a significant difference between these groups ($p < .01$). Those individuals who felt the changes were needed had significantly higher attitude scores than individuals who saw no need ($t = 7.63, p < .01$). There was no significant difference between individuals who felt no need and those who were uncertain about a need for change. However, individuals who saw the need had significantly higher attitude scores than those who were uncertain ($t = 5.93, p < .01$).
TABLE 5

COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY PERCEIVED NEED FOR CHANGES TO MEET CHANGING CUSTOMER DEMANDS

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need Versus Not Needed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes Were Needed</td>
<td>37.93</td>
<td>76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes Were Not Needed</td>
<td>28.00</td>
<td>41</td>
<td>9.93</td>
<td>7.63</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>Uncertain Versus Needed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uncertain About Need</td>
<td>28.88</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes Were Needed</td>
<td>37.93</td>
<td>76</td>
<td>9.05</td>
<td>5.93</td>
<td>&lt;.01</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

It appears that salesmen are especially aware of changing customer demands because 64 percent indicated such an awareness. Only 34 percent of the vocational managers and 60 percent of the branch and regional managers saw that changing customer demands led to a need for change.

Those individuals who perceive a need for change have much higher attitudes toward the changes. There is
a great need, therefore, to communicate to employees the reasons why changes have to be made. There also appears to be a need for salesmen to communicate to their immediate supervisors (sales managers) what changes are being demanded by their customers. When structuring future communication with the field personnel, management may want to emphasize the changing market conditions that led to the changes. Results show that this information, more than any other, including information about the compensation program, would tend to improve the attitudes of the field personnel toward the changes.

**Effect of Changes and Attitudes**

Those sales personnel who did not perceive the change as having a significant effect on their job were hypothesized to have less resistance to it. When asked directly whether they felt that the organizational changes would have a significant effect on their job (Question 7), 70 percent of the respondents said yes. About 13 percent were uncertain of the effect and the rest said there would be no effect. Mean attitude scores were compared between those individuals who felt they would be significantly effected
and individuals who felt they would not be effected or were uncertain. Table 6 summarizes the results.

TABLE 6

MEAN ATTITUDE SCORES OF INDIVIDUALS DIFFERENTIATED AS TO PERCEIVED EFFECT OF THE CHANGES ON THEIR JOBS

<table>
<thead>
<tr>
<th>Group</th>
<th>Significant Effect</th>
<th>No Significant Effect</th>
<th>Uncertain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Attitude Score</td>
<td>34.07</td>
<td>32.48</td>
<td>31.26</td>
</tr>
<tr>
<td>N</td>
<td>101.00</td>
<td>23.00</td>
<td>19.00</td>
</tr>
</tbody>
</table>

*An Analysis of Variance among the three groups yielded an F score of 1.12 which was not significant.*

Source: Questionnaire data.

Those individuals who were uncertain about the effect of the changes had the lowest attitude score, but the difference was not significant. The null hypothesis that there is no significant difference between the three groups is accepted. The results of this analysis suggest that sales personnel may have positive or negative reaction to changes regardless of whether the changes had a significant effect on them personally. This would
suggest that factors other than personal effects may have a part in determining attitudes.

Manner of Introduction and Attitudes

The manner in which a change is introduced sometimes influences the attitudes of those affected by the changes. The attitudes toward how a change is implemented may be independent of the attitudes generated by the change itself. However, negative attitudes generated by the manner of implementation are typically directed against the change itself rather than against the way it was introduced.¹

It has already been established that the perceived amount of information received during the implementation stage had a significant effect on attitudes. The purpose of this section is to determine whether the manner of introduction in general had a significant effect on attitudes. Table 7 shows the results of this question.

The results show that there is a significant difference in attitudes between individuals who were satisfied with the manner of introduction and those who

¹Ibid., p. 32.
were not \( t = 5.14, p < .01 \). The null hypothesis for Hypothesis 6 is therefore rejected: individuals who were satisfied with the way in which the changes were introduced have higher attitude scores than individuals who were not satisfied. The data so far has indicated that part of the reason that individuals were not satisfied with the manner of introduction was that there was a perceived lack of information about the need for the changes and a lack of detailed information about the compensation changes.

**TABLE 7**

**COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED AS TO SATISFACTION WITH THE MANNER OF INTRODUCTION OF THE CHANGES**

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied</td>
<td>36.46</td>
<td>76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Satisfied</td>
<td>29.93</td>
<td>65</td>
<td>6.53</td>
<td>5.138</td>
<td>&lt; .01</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

The amount of information members' perceive as receiving may influence the amount of trust they have in
the change process. In their summary on understanding an individual's response to demands for change, Mann and Neff discuss the nexus between control, trust, and participation:

There is usually some relationship between information and control. An individual who has full information is in a much better position to exert some control -- if he feels he needs to -- than one who has less information. . . . Perception of both control and trust, however, would be primarily affected by the extent to which an individual feels he participates in a change.

The next section of this study will discuss perceived participation in the change. Specifically it explores the question of whether those affected by the changes felt that their opinions were considered when the changes were made.

**Participation and Attitudes**

There are several ways to approach the introduction of changes. Usually the most successful change efforts are those which involve the participation of all personnel affected by the changes in the decision-making part of the program. Those change efforts

1Mann and Neff, "Managing Change," p 71.

which use the decree approach have often been less successful. It was hypothesized that members of Bemco's sales organization may not perceive a need for participation in change decisions because they are often required to be quite flexible with regard to geographic location, salary adjustments, and job responsibility. Table 8 shows the effect that perceived participation had on attitude scores.

TABLE 8
COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY DEGREE OF PERCEIVED PARTICIPATION IN THE CHANGE DECISION

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included Versus Not Included</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opinions Considered</td>
<td>41.12</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opinions Not Considered</td>
<td>31.41</td>
<td>32</td>
<td>9.71</td>
<td>5.00</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>Uncertain Versus Not Included</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uncertain</td>
<td>38.33</td>
<td>96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opinions Not Considered</td>
<td>31.41</td>
<td>32</td>
<td>6.92</td>
<td>3.66</td>
<td>&lt;.01</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

3 Ibid., p. 128.
Results show that those individuals who perceived their opinions as being considered when the changes were made had significantly higher attitude scores than those who did not (t = 5.00, p<.01). Those individuals who were uncertain about whether their opinions were considered also had significantly higher attitude scores than those who did not feel their opinions were considered (t = 3.66, p<.01). It should be noted that those individuals who felt that their opinions were considered had higher attitude scores (mean = 41.12) than any other subgroup studied. Even those individuals who were uncertain about the extent of their participation had relatively high scores. It would appear from the data that participation in change decisions may be one of the most significant factors in determining attitudes toward the change.

When asked about whether their opinions should have been considered when the changes were made, 60 percent of the respondents felt they should have participated. Table 9 shows that there is a significant difference between the attitude scores of individuals who felt they should participate and those who did not feel that they should be included (t = 3.11, p<.05). The null
hypothesis that there is no difference is therefore rejected.

TABLE 9
COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED AS TO WHETHER THEY PERCEIVED THEIR ROLES AS INCLUDING PARTICIPATION IN THE CHANGE DECISION

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Score</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opinions should be considered</td>
<td>31.73</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opinions should not be considered</td>
<td>37.04</td>
<td>5.31</td>
<td>3.11</td>
<td>&lt;.05</td>
</tr>
<tr>
<td>Not certain about participation</td>
<td>36.55</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

Those individuals who were not certain about whether they should have their opinions considered did not have attitude scores significantly different from the others. Eleven percent of the participants in the study felt that their opinions were considered when the changes were made. Half of these were branch and regional managers. Only 4 percent of the vocational
managers and 12 percent of the salesmen felt that their opinions were considered. However 68 percent of the branch and regional managers, 74 percent of the vocational managers, and 59 percent of the salesmen felt their opinions should have been considered.

It may be concluded from the data that the majority of the members of Bemco's sales organization felt that their opinions should have been considered when the changes were made but were not. Those who felt as if they were included in the change effort had high attitude scores. However, by not including the whole sales organization in the change decision, Bemco may have caused some employees to have less positive attitudes toward the changes.

Although it is too late to include field personnel in the change decision, it is not too late to seek their ideas about the best way to implement the changes. Much of the implementation will be extended over several years. It would appear from the data that most field personnel feel their opinions should be considered when such decisions are made.
Confidence in the Company and Attitudes

Most of the Bemco sales personnel have gone through organizational changes in the past and have found that the company has always tried to adjust any personal wrongs that may have arisen because of the changes. It was therefore hypothesized that those individuals who are confident that the company will clarify any personal problems they may have as a result of the changes may have different attitude scores from those individuals who do not feel the company will clarify their problems. Table 10 summarizes the analysis.

TABLE 10

COMPARISON OF MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY CONFIDENCE IN THE COMPANY'S EFFORTS TO RESOLVE PERSONAL PROBLEMS THAT WERE CAUSED BY THE CHANGES

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems Solved Versus Not Solved</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company will solve</td>
<td>35.85</td>
<td>102</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company will not solve</td>
<td>28.18</td>
<td>27</td>
<td>7.67</td>
<td>4.84</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>Problems Solved Versus Uncertain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company will solve</td>
<td>35.85</td>
<td>102</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company may not solve</td>
<td>26.00</td>
<td>14</td>
<td>9.85</td>
<td>4.72</td>
<td>&lt;.01</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.
The mean attitude score for those who were confident that the company would solve any problems was significantly higher than those who felt that the company would not solve their problems ($t = 4.84$, $p < .01$). Over 70 percent of the respondents were confident that the company would solve any problems.

Timing of the Change

Timing is one of the controllable items in the change process that is often a significant factor in determining attitudes toward changes.\(^1\) Two periods of time are usually considered: (a) the interval between the first notion that a change is coming and its actual introduction, and (b) the interval between the announcement of the change and the completion of its implementation. Commenting on the importance of timing, Judson says:

The length of time between the announcement of an impending change and its initiation tends to vary inversely with the extent of resistance, provided that information about the change can be shared and discussed freely. That is, the longer the time, the lower the resistance. On the other hand, the length of time it takes for the change to be realized tends to vary directly

---

\(^1\) Judson, *A Manager's Guide*, p. 82.
with resistance: the longer this period, the greater the resistance.\footnote{\textit{Ibid.}}

At the Bemco corporation, there was a relatively short interval between the initial announcement of the change in late November, 1968, and the start of the implementation on January 1, 1969. The implementation stage will not be completed until the field sales organization has wholly assimilated the new management by objectives concept and the roles of the new regional staff members have been clarified. The time interval between introduction and completion of the changes, therefore, will be rather long -- one year or more.

The changeover from one management system to another sometimes causes anxiety among the individuals involved. Man and Neff mention this in one of the case-studies reviewed:

New procedural systems frequently are simply superimposed on old systems at the outset of a change as personnel at all levels try to guard against failure by maintaining both old and new systems for a time. Inordinate amounts of organizational energy may be expended in this duplication of effort. Demonstrations of the power and reliability of the new system and clear access to the information it provided should reduce replication of records.\footnote{Mann and Neff, \textit{Managing Change}, p. 13.}

\footnote{\textit{Ibid.}}
The old system of promoting men through political maneuvering was used during the organizational change because no other system was believed workable at that time. The new system of promotions based on achievement of objectives is slowly being implemented.

Interviews with field managers revealed that there was some apprehension about the new appraisal system and its future success. Another case-study of organizational change pointed out that:

Unless personnel have been adequately acquainted with the change objectives and procedures, it is not likely that they will have much faith in the change being carried through to a successful conclusion.¹

There seemed to be a "wait and see" attitude throughout the Bemco organization during the first few months that the changes were in affect.

Because of the complexities involved in implementing the new management system, it was hypothesized that those individuals who felt that the advanced notice given about the changes was sufficient may have different attitude scores from those who felt more time was needed. Table 11 summarizes the analysis.

¹Ibid., p. 31.
TABLE 11

COMPARISON OF MEAN ATTITUDE SCORES OF INDIVIDUALS WHO FELT THE ADVANCED NOTICE GIVEN ABOUT THE CHANGES WAS OR WAS NOT SUFFICIENT

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice sufficient</td>
<td>34.64</td>
<td>70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notice not sufficient</td>
<td>32.29</td>
<td>73</td>
<td>2.35</td>
<td>2.41</td>
<td>&lt;.05</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

Results show that there is a significant difference between individuals who felt that the advanced notice given about the changes was sufficient and those who did not (t = 2.41, p < .05). The null hypothesis is therefore rejected.

The time interval between the initial announcement of the changes and the start of implementation was short because the opportunity to introduce the changes appeared quite suddenly and unexpectedly. By acting quickly, management was able to minimize the period of uncertainty between the time when rumors of a change first started circulating and the initial announcement. However, this short period allowed little time to work out the many
details involved in restructuring a sales organization and adopting a new system of management. When asked in an open-ended question what they would have done differently about announcing the changes, 50 percent of the respondents replied that they would have allowed more time to work out the details.

According to Judson, the longer it takes to implement new programs, the more resistance will be found. Although nothing could be done about the short period between announcement and the beginning of the change effort because of unexpected developments, much can be done to reduce the implementation stage. According to Mann and Neff, a concentrated effort should be made to demonstrate the power and reliability of the new system. Such an effort would demand extensive training of field managers and tremendous cooperation among the field personnel. Top management has sought the advice of regional managers and together they are working out the details of implementing the changes. This effort should help improve the attitudes of those involved.

1Judson, Manager's Guide, p. 82.
2Mann and Neff, Managing Change, p. 13.
Rating of Job Factors

An attempt was made to determine those factors of the job which the members of the sales hierarchy felt were most important. This was accomplished by having each member rank from one to eleven various aspects of their job. It was felt that managers may rank job factors differently from salesmen, so the data were analyzed separately for each. Mean scores were computed for each job factor by multiplying the rank order of the item by the number of respondents, deriving a total score, and dividing by the total number of respondents. A low score indicates that the job factor was more important (e.g., a perfect score would be 1.00). The lowest score possible is 11.00. Table 12 summarizes the results of the analysis.

Both groups rated the "Amount of pay I receive" as the most important job factor. Both groups also rank "Opportunity to do the kind of work I like" very highly. Salesmen appear to like the challenge of making a sale since they ranked this job factor second. In addition to the satisfaction they get from making a sale and from the amount of pay they receive, salesmen indicate that they want to be recognized for their achievements
TABLE 12
MEAN ITEM SCORES OF ELEVEN JOB FACTORS AS RANKED BY MANAGERS AND SALESMEN

<table>
<thead>
<tr>
<th>Job Factor</th>
<th>Mean Scores (Salesmen)</th>
<th>Mean Scores (Managers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of pay I receive</td>
<td>2.880</td>
<td>4.571</td>
</tr>
<tr>
<td>Satisfaction of making a sale</td>
<td>3.206</td>
<td>7.212</td>
</tr>
<tr>
<td>Opportunities for promotion</td>
<td>3.347</td>
<td>6.030</td>
</tr>
<tr>
<td>Opportunity to do the kind of work I like</td>
<td>3.610</td>
<td>4.909</td>
</tr>
<tr>
<td>Opportunity for recognition</td>
<td>4.404</td>
<td>6.581</td>
</tr>
<tr>
<td>Contribution I make to the company</td>
<td>5.266</td>
<td>7.160</td>
</tr>
<tr>
<td>My status in the company</td>
<td>5.530</td>
<td>6.227</td>
</tr>
<tr>
<td>Chance to work for a good manager</td>
<td>6.230</td>
<td>10.952</td>
</tr>
<tr>
<td>Amount of authority I have</td>
<td>6.446</td>
<td>10.690</td>
</tr>
<tr>
<td>Job security I have</td>
<td>6.500</td>
<td>8.092</td>
</tr>
<tr>
<td>Amount of support I get from others</td>
<td>6.683</td>
<td>9.484</td>
</tr>
</tbody>
</table>

*Factors are listed in the order of importance as perceived by salesmen.

Source: Questionnaire data.
and they look for an opportunity to be promoted. All the other job factors are ranked about equally by salesmen.

Managers also indicated that they want to be recognized for their achievements and are interested in promotional opportunities. They are more concerned about their status in the company than are salesmen and are less interested in the satisfaction obtained from making a sale. Of course, managers do not have as much of an opportunity to do field selling. Surprisingly, managers rank "The amount of authority I have" as the least important job factor. Also managers rank "Job security", "Amount of support I get from others", and the "Chance to work for a good manager", much lower than salesmen.

These findings are similar to those reported by Herzberg et al. in their review of 16 studies involving over 11,000 employees.¹ The one job factor that may be more important to members of sales organizations is pay. Wages consistently ranked in the middle of the list for

most studies, although there is a wide range for almost all job factors in attitude studies. Another major difference between this study and Herzberg's summary is that security ranked first in most studies and was almost last in this study of sales personnel. This may reflect the mobility of the 1960's or it may be that Bemco salesmen are simply more interested in money and position than security.

The purpose of deriving a ranking of job factors in this study was to determine what factors were considered most important to organizational members when the changes were introduced. The significant change in the compensation program may have been an influence on the fact that the "Amount of pay I receive" was ranked number one. Since pay was ranked as first in importance, it was hypothesized that those individuals who perceived their pay as increasing as a result of the changes may have attitude scores significantly different from individuals who perceived a cut in pay or were uncertain about future compensation.

The next section presents an analysis of wage adjustments. It should be noted that this study is more concerned with resistance to change resulting from the
manner of introduction than opposition resulting from negative effects on job factors. The data shows that those individuals who perceived the changes as not having any effect on job factors did not have attitude scores significantly different from those who perceived some effect. Nevertheless, an analysis of perceived effect on job factors helps to show how attitudes about changes may be improved.

Wage Experience and Attitudes

One of the most important changes that was made involved major adjustments in the compensation potential for sales personnel. Some managers had their earnings reduced by 50 percent or more, although a few had increases. Over 44 percent of the respondents indicated that the one aspect of the changes that they especially disliked was the reduced or uncertain income potential. Most of the salesmen indicated that they were uncertain about how the changes would affect their income. It was expected that individuals who had their income increased by the changes would have higher attitude scores than those who had cuts in pay. Those individuals who were uncertain about the effects would
be expected to score between the other groups. Table 13 summarizes the results of the analysis.

### TABLE 13

**COMPARISON OF MEAN ATTITUDE SCORES OF INDIVIDUALS WITH IMMEDIATE INCREASES AND DECREASES IN INCOME**

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase</td>
<td>38.12</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td>31.31</td>
<td>65</td>
<td>6.81</td>
<td>3.14</td>
<td>&lt;.05</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

Results show that there was a significant difference ($t = 3.14$, $p < .05$) between individuals who had an increase in immediate income and those who had an immediate decrease. The mean attitude score of those uncertain about the effect was 34.41 ($n = 61$) which was not significantly different from the increase or the decrease groups.

In the long run, income levels were expected to balance out because managers received significant increases in their salary levels (40 percent or more) and
in their fringe benefits. It was hypothesized that some managers would expect their incomes in the long run to be increased and that they may have significantly different attitude scores from individuals who expected decreased earnings or were uncertain. Table 14 shows the results of the analysis.

**TABLE 14**

**COMPARISON OF MEAN ATTITUDE SCORES OF INDIVIDUALS WHO PERCEIVE LONG TERM INCREASES, DECREASES, AND UNCERTAIN INCOME EFFECTS**

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase Versus Decrease</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>39.46</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td>29.97</td>
<td>63</td>
<td>9.49</td>
<td>4.10</td>
<td>&lt;.01</td>
</tr>
<tr>
<td><strong>Uncertain Versus Decrease</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uncertain</td>
<td>35.54</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td>29.97</td>
<td>63</td>
<td>5.57</td>
<td>4.18</td>
<td>&lt;.01</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

Results show that those individuals who expected their incomes to increase in the long run because of
the changes (n = 13) had significantly higher attitude scores (t = 4.10, p<.01) than those individuals who expected a decrease (n = 63). There was also a significant difference in attitude scores between individuals who expected a pay increase in the long run and those who were uncertain about the effect (t = 4.18, p<.01). The null hypothesis that there is no significant difference is therefore rejected.

A large number of individuals (n = 67) was uncertain about what effect the changes would have on their income. Many of the salesmen (60 percent of respondents) indicated that they felt their compensation plans would be changed from a salary plus commission system to one more like the one instituted for managers -- with higher salaries, but lower commissions. However, they were uncertain about when or if this would take place. About 26 percent of the sales managers also expected a change in salesmen's compensation.

Perceived Opportunities Elsewhere and Attitudes

It was hypothesized that individuals who perceived the opportunity for obtaining an equivalent salary at another company as likely may have attitude scores
different from individuals who perceived opportunities elsewhere as slight. Interviews with field personnel revealed that the market for sales people with the capabilities of Bemco's personnel was "wide open" and that other companies were pursuing them with offers of higher salaries. Some managers thought that those individuals who perceived the opportunity for making more money elsewhere would have attitude scores lower than those who felt financially "locked in" to the company. Table 15 summarizes the analysis of this question.

**TABLE 15**

**MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY PERCEIVED OPPORTUNITIES FOR EQUIVALENT SALARIES ELSEWHERE**

<table>
<thead>
<tr>
<th>Group</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities for Equivalent Salary:</td>
<td>Very Likely</td>
<td>Some</td>
</tr>
<tr>
<td></td>
<td>Likely</td>
<td>Slight</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not at all</td>
</tr>
<tr>
<td>N</td>
<td>74</td>
<td>69</td>
</tr>
<tr>
<td>Mean Attitude Scores:</td>
<td>33.14</td>
<td>33.77</td>
</tr>
</tbody>
</table>

*A one-way analysis of variance between the groups yielded an F score of .210 which was not significant.*

*Source: Questionnaire data.*
The results show that there is no significant difference between the two groups. This would tend to reflect the loyalty that was expressed by so many of the field personnel during personal interviews. When asked whether they expected to be with the company five years from now, almost 80 percent of the respondents said yes.

A second hypothesis about perceived opportunities questioned whether individuals who felt they could obtain an equivalent position elsewhere would have significantly different attitude scores from individuals who felt the possibilities were slight. Table 16 summarizes the analysis.

There was no significant difference between individuals who perceived the opportunities elsewhere as likely and those who felt they were slight. This also gives support to the tentative conclusion that company loyalty is high in spite of some negative attitudes toward the organizational changes. Such a finding would indicate that lower attitudes reflect possible problems in morale rather than problems in turnover for the company.
TABLE 16

MEAN ATTITUDE SCORES OF SUBGROUPS DIFFERENTIATED BY PERCEIVED OPPORTUNITIES TO OBTAIN EQUIVALENT POSITIONS ELSEWHERE

<table>
<thead>
<tr>
<th>Group</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities for Very</td>
<td>Likely</td>
<td>Some</td>
</tr>
<tr>
<td>Equivalent Position</td>
<td></td>
<td>Slight</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not at all</td>
</tr>
<tr>
<td>N</td>
<td>72</td>
<td>71</td>
</tr>
<tr>
<td>Mean Attitude Score</td>
<td>33.29</td>
<td>33.59</td>
</tr>
</tbody>
</table>

A one-way analysis of variance yielded an F score of .047 which was not significant.

Source: Questionnaire data.

Personal Variables and Attitudes

It was hypothesized that certain individuals would have higher or lower attitude scores based on their age, their education, the number of years with the company (tenure), and their past success at making quota. Individuals with more years with the company were expected to have higher attitude scores because company loyalty is considered exceptional. Tenure was expected to correlate rather closely with age. Individuals with more education were expected to have higher attitude scores.
because of the increased possibilities for promotion as a result of the changes. However, education had not traditionally been an important factor in promotions.

Results showed that none of these factors had a significant effect on attitudes at the .05 level. Analysis of variance was used to measure differences between groups. Tables 17-20 summarize the analysis.

Those individuals who had the most tenure (30 years or more) had lower attitude scores than any other group (Table 20). Individuals who had been with the company fewer than 10 years had the highest attitude scores. However, the difference between these groups was not significant. It may be that the newer employees saw the many advantages created by the changes, and were not seriously affected by the negative aspects of the changes. Another explanation is that those individuals with the most tenure would be more likely to expect to participate in the change decision and did not perceive any opportunity to do so. The data support both conclusions.

Interviews with field personnel indicated that two factors could be prominent in causing lower attitudes among employees who had been with the company
### TABLE 17

**MEAN ATTITUDE SCORES FOR SALES PERSONNEL AT FOUR AGE LEVELS**

<table>
<thead>
<tr>
<th>Age Level</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages Included</td>
<td>Below 25</td>
<td>25-34</td>
<td>35-44</td>
<td>45+</td>
</tr>
<tr>
<td>N</td>
<td>8</td>
<td>27</td>
<td>52</td>
<td>56</td>
</tr>
<tr>
<td>Mean Attitude Score</td>
<td>32.63</td>
<td>36.67</td>
<td>32.52</td>
<td>32.86</td>
</tr>
</tbody>
</table>

*An analysis of variance among the four age groups yielded an F of 1.75 which was not significant.*

*Source: Questionnaire data.*

### TABLE 18

**MEAN ATTITUDE SCORES OF SALES PERSONNEL AT FOUR EDUCATIONAL LEVELS**

<table>
<thead>
<tr>
<th>Group</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>High School</td>
<td>Some College</td>
<td>Completed College</td>
<td>Some Grad School</td>
</tr>
<tr>
<td>N</td>
<td>13</td>
<td>60</td>
<td>48</td>
<td>22</td>
</tr>
<tr>
<td>Mean Attitude Score</td>
<td>34.38</td>
<td>32.53</td>
<td>34.98</td>
<td>32.00</td>
</tr>
</tbody>
</table>

*An analysis of variance among the four educational levels yielded an F of 1.09 which was not significant.*

*Source: Questionnaire data.*
### TABLE 19

**MEAN ATTITUDE SCORES OF SALES PERSONNEL WITH DIFFERENT LEVELS OF CONSISTENCY AT MAKING QUOTA**

<table>
<thead>
<tr>
<th>Group</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quota Record</strong></td>
<td>80% consistent</td>
<td>Below 80% consistent</td>
<td>Not eligible</td>
</tr>
<tr>
<td>N</td>
<td>80</td>
<td>39</td>
<td>24</td>
</tr>
<tr>
<td>Mean Attitude Score</td>
<td>32.64</td>
<td>33.18</td>
<td>36.54</td>
</tr>
</tbody>
</table>

*An analysis of variance among the three groups yielded an F of 2.14 which was not significant.*

Source: Questionnaire data.

### TABLE 20

**MEAN ATTITUDE SCORES OF SALES PERSONNEL DIFFERENTIATED BY SEVEN LEVELS OF TENURE**

<table>
<thead>
<tr>
<th>Group</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Years with Company</strong></td>
<td>1-4</td>
<td>5-9</td>
<td>10-14</td>
<td>15-19</td>
<td>20-24</td>
<td>25-29</td>
<td>30+</td>
</tr>
<tr>
<td>N</td>
<td>20</td>
<td>20</td>
<td>31</td>
<td>20</td>
<td>31</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Mean Attitude Score</td>
<td>34.55</td>
<td>36.70</td>
<td>31.75</td>
<td>32.40</td>
<td>34.29</td>
<td>32.75</td>
<td>31.00</td>
</tr>
</tbody>
</table>

*An analysis of variance among the seven groups yielded an F score of 1.15 which was not significant.*

Source: Questionnaire data.
for 10 years or more. The first factor was the fact that most managers had their pay reduced by the changes. This resistance would be expected by any group that had its income cut. The second factor was the manner in which the changes were introduced. Over 50 percent of the respondents had been with the company for more than 15 years. There was a tremendous loyalty and dedication among these men and they felt that the company was like a family. The feeling created by these changes was that the "head of the family suddenly cut our allowance" without telling us why the changes were necessary (see Table 5), without providing enough time to adjust (see Table 11), and without including us in the decision (see Table 8). Because many of the managers felt "left out" of the change effort, their attitudes toward the changes were rather low.

**Age and Attitudes**

Table 17 reveals that there was not a significant difference in attitude scores among the various age groups. The age group from 25-34 had the highest attitude scores; the below 25 and over 35 groups had lower attitude scores. Usually the 25-34 age group
has the lowest morale, and younger and older employees are more satisfied.\(^1\) The organizational changes included about 100 managerial promotions which would be expected to affect the 25-34 age group quite favorably. There is no evidence to indicate that this was the case, however. The most revealing finding is that there is no statistically significant difference between the various age groups. These results support the finding that factors other than the personal effect of the changes were influencing attitudes because some age groups experienced significantly more effect on their jobs than others.

**Education and Attitudes**

There is no significant difference between groups with various levels of education (Table 18). It may be interesting to note that almost 50 percent of the respondents had a college degree. More than 40 percent of the others had some college training. However, educational level was not a factor in the formation of positive versus negative attitudes toward the change.

\(^1\) Herzberg, et al., *Job Attitudes*, pp. 8-10.
Job Success and Attitude

It was hypothesized that those individuals who have consistently made quota may have attitude scores significantly different from those individuals who had failed to make quota consistently or had not been eligible for quota for at least four years. Table 19 shows that there is no significant difference between these three groups. Those individuals who were the most consistent in making quota had the lowest attitude scores. This would indicate that the men most successful in making quota do not like to see changes in the method of evaluation. This is to be expected. It also shows that these men may be resisting the changes. If that is the case, efforts to improve the attitudes of the field sales organization may result in better morale and increased support for the changes from some of the best men on the sales force.

Attitudes of Various Levels in the Sales Hierarchy

Managers were more affected by the organizational changes than were salesmen. Even though many managers received promotions, most of them had their total
compensation lowered significantly by the changes. Salesmen did not have any change in their compensation program and it was announced that there would not be any changes in salesmen's compensation in the foreseeable future. Because the various levels in the sales hierarchy were effected differently by the changes, it was hypothesized that attitudes toward the changes would differ also. To test the assumption of between-group differences, a simple analysis of variance was performed on the three levels of the sales hierarchy that were studied. The results of the analysis, presented in Table 21, support the assumption of between-group differences. The F value of 5.29 is significant with a probability of less than .01. The null hypothesis is rejected: individuals from various levels of the sales hierarchy differ significantly in their attitudes toward the changes.

Further analysis was necessary to determine if there was a significant difference between all three groups. Table 22 summarizes the analysis. Sales managers had attitude scores significantly lower than branch and regional managers (t = 2.87, p < .05), but there was no significant difference between salesmen and sales
TABLE 21

ANALYSIS OF VARIANCE OF THE ATTITUDE SCORES OF SALESMEN, SALES MANAGERS, AND BRANCH AND REGIONAL MANAGERS

<table>
<thead>
<tr>
<th>Source</th>
<th>ss</th>
<th>df</th>
<th>mss</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>674.78</td>
<td>2</td>
<td>337.39</td>
<td>5.287</td>
<td>&lt;.01</td>
</tr>
<tr>
<td>Within Groups</td>
<td>8934.47</td>
<td>140</td>
<td>63.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9609.25</td>
<td>142</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

TABLE 22

COMPARISON OF MEAN ATTITUDE SCORES OF SALESMEN, SALES MANAGERS, AND BRANCH AND REGIONAL MANAGERS

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean Attitude Scores</th>
<th>N</th>
<th>D</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch and Regional Managers</td>
<td>35.37</td>
<td>38</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Managers</td>
<td>30.36</td>
<td>47</td>
<td>5.01</td>
<td>2.87</td>
<td>&lt;.05</td>
</tr>
<tr>
<td>Salesmen</td>
<td>34.67</td>
<td>58</td>
<td>ns</td>
<td>ns</td>
<td>ns</td>
</tr>
</tbody>
</table>

Source: Questionnaire data.

managers or between salesmen and branch and regional managers. It would appear that there is a great need to communicate to sales managers the need for the changes, the advantages that the new system will offer
them, and the details about the new compensation and career path systems.

**Attitude Scores and Regional Differences**

Historically, some regions had been more receptive to changes in the organization than others. It was therefore anticipated that some regions would have attitudes toward these latest organizational changes which were significantly higher than regions where resistance has traditionally been high. There proved to be no significant difference between regions in their attitudes toward the changes. Results of the analysis are summarized in Table 23.

**TABLE 23**

**MEAN ATTITUDE SCORES OF GROUPS FROM SIX DIFFERENT REGIONS**

<table>
<thead>
<tr>
<th>Region</th>
<th>Columbus</th>
<th>Chicago</th>
<th>New York</th>
<th>Atlanta</th>
<th>Los Angeles</th>
<th>Dallas</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>37</td>
<td>29</td>
<td>21</td>
<td>18</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>Mean Attitude Score</td>
<td>34.16</td>
<td>32.41</td>
<td>34.04</td>
<td>32.39</td>
<td>33.19</td>
<td>32.87</td>
</tr>
</tbody>
</table>

*a* An analysis of variance among the six regional groups yielded an F of .875 which was not significant. Source: Questionnaire data.
The fact that there was not a significant difference between regions indicates that any management program designed to implement the changes could be applied throughout the organization. The analysis also shows that attitudes throughout the field sales force are rather low and that a program designed to improve attitudes could be helpful in facilitating change implementation.

Review of Hypotheses

This section will summarize the hypotheses tested in the previous analyses. Certain of the hypotheses dealt with questions about attitudes toward the manner in which the changes were introduced. Resistance to change was defined in this study as resistance to the manner of introduction. These hypotheses will show what factors differentiated between groups with positive and groups with negative affect toward the changes. This analysis should reveal what factors tend to impede the implementation of change.

A second group of hypotheses were designed to measure opposition to negative aspects of the changes, such as a decrease in income, and to measure personal, regional, and positional differences in attitudes
toward change. These results should aid in the interpretation of the analysis of resistance to change.

Hypotheses About the Manner of Introduction

This series of hypotheses was designed to determine those factors in the change program that led to positive versus negative affective response. Specifically, an effort was made to measure attitudes toward the manner in which the change was introduced. The relevant null hypotheses and the results of the analyses follow:

1. There is no significant difference in attitude scores between individuals who feel that their opinions were considered when the changes were made and individuals who feel that their opinions were not (Hypothesis 1 - Rejected). Individuals who felt that their opinions were considered (11 percent of the respondents) had significantly higher attitude scores than individuals who did not. The difference between means yielded a t value significant beyond the .01 level. Individuals who were uncertain about whether their opinions were considered also had significantly higher attitude scores than individuals who did not
feel that their opinions were considered (p<.01). Those individuals who felt that their opinions were considered had a mean attitude score of 41.12, which was higher than any other subgroup studied.

2. There is no significant difference in attitude scores between individuals who feel that their opinions should have been considered when the changes were made and individuals who feel that their opinions should not have been considered or are uncertain (Hypothesis 2 - Rejected). Those individuals who felt that their opinions should not have been considered had significantly higher attitude scores than individuals who felt that their opinions should have been considered (t = 3.11, p<.05). There was not a significant difference between individuals who were uncertain about whether their opinions should have been considered and the other two groups. Over 60 percent of the respondents felt that their opinions should have been considered.

3. There is no significant difference in attitude scores between individuals who perceive the manner in which the changes were introduced as satisfactory and individuals who perceive the manner of change as unsatisfactory (Hypothesis 6 - Rejected).
Individuals who felt that the manner of introduction was satisfactory (over 50 percent of the respondents) had a mean attitude score significantly higher than the mean score of individuals who felt that the manner of introduction was unsatisfactory ($t = 5.14$, $p < .01$).

4. There is no significant difference in attitude scores between individuals who feel that the information about the organizational changes was sufficient and those who do not (Hypothesis 7 - Rejected). Individuals who felt that the information about the changes was sufficient had a mean attitude score significantly higher than those who did not ($t = 3.60$, $p < .05$). However, over 60 percent of the respondents felt that the information received was not sufficient.

5. There is no significant difference in attitude scores between individuals who feel that the information about the career path changes was sufficient and those who do not (Hypothesis 9 - Rejected). Individuals who felt that the information was sufficient had a mean attitude score significantly higher than those who felt the information was not sufficient. The difference between the means yielded a $t$ value of 4.86 which was significant beyond the .01 level. Over 60
percent of the respondents desired more information.

6. There is no significant difference between the attitude scores of individuals who feel that the information about the compensation changes was sufficient and those who do not (Hypothesis 10 - Rejected). The mean attitude score of the sufficient information group was significantly higher than the attitude score of the insufficient information group (t = 4.90, p<.01). About 70 percent of the respondents felt that they needed more information about the compensation changes.

7. There is no significant difference in attitude scores between those individuals who perceive the change as being necessary because of changing customer demands and those who are uncertain or did not perceive the changes as necessary (Hypothesis 3 - Rejected). The mean attitude score of those who saw a need was significantly higher than those who were uncertain (t = 5.93, p<.01) and those who saw no need (t = 7.63, p<.01). About 64 percent of the salesmen and 34 percent of the branch and regional managers saw that there was a need for change because of changing customer demands.
8. There is no significant difference in attitude scores between those individuals who are confident that the company will clarify any personal problems that they may have as a result of the changes and those who are not or who are uncertain (Hypothesis 8 - Rejected). The mean attitude score for those who were confident that the company would solve any problems was significantly higher than those who were uncertain \( (t = 4.72, p < .01) \) or those who disagreed that the company would solve the problems \( (t = 4.84, p < .01) \). Over 70 percent of the respondents were confident that the company would solve any personal problems that resulted from the change.

Hypotheses About Opposition to Negative Effects Including Personal, Regional, and Positional Differences

1. There is no significant difference in attitude scores between individuals who feel that the changes will have a significant effect on their job and those who do not or are uncertain (Hypothesis 15 - Accepted). Difference between mean attitude scores for the three subgroups yielded an \( F \) score of 1.12 which was not significant. About 70 percent of the respondents thought that the changes would have a significant effect.
2. **There is no significant difference in attitude scores between those individuals who feel the effect will be good and those who feel the effect will be bad or are uncertain** (Hypothesis 16 - Rejected). The mean score for individuals who felt that the effect of the changes would be good (39.93) was significantly higher than the mean score of 34.36 for individuals who were uncertain (t = 8.55, p<.01) and the mean score of 30.82 for individuals who felt the effect would be bad (t = 11.63, p<.01). Over 46 percent of the respondents thought the effect would be good, 39 percent were uncertain, and about 15 percent thought the effect would be bad.

3. **There is no significant difference in attitude scores between those individuals who feel that the amount of money they will make this year will be increased and those who feel it will be decreased or are uncertain** (Hypothesis 11 - Rejected). The mean attitude score for individuals who feel that the amount of money will increase was significantly higher than those who expected a decrease (t = 3.14, p<.05). There was no significant difference between those who were uncertain and the other groups. About 46 percent
of the respondents expected their income to decrease, 42 percent were uncertain, and 12 percent expected increases this year.

4. **There is no significant difference in attitude scores between those individuals who feel that the amount of money they will make in the long run will increase and those who feel it will be decreased or are uncertain** (Hypothesis 12 - Rejected). The mean attitude score for individuals who feel that the amount of money will increase (n = 13) was significantly higher than those (n = 63) who expected a decrease (t = 4.10, p<.01) or those (n= 67) who were uncertain (t = 4.18, p<.01).

5. **There is no significant difference between individuals of different ages** (Hypothesis 19 - Accepted). The difference between mean attitude scores for the four subgroups yielded an F of 1.15 which was not significant.

6. **There is no significant difference between individuals with different educational backgrounds** (Hypothesis 18 - Accepted). An analysis of variance among four educational levels yielded an F or 1.09 which was not significant.
7. There is no significant difference between individuals who have been with the company for different periods of time (Hypothesis 20 - Accepted). An analysis of variance among the seven subgroups yielded an F of 1.15 which was not significant.

8. There is no significant difference in attitude scores between those individuals who have consistently made quota and those who have not consistently made it or did not qualify for quota for at least four years (Hypothesis 17 - Accepted). An analysis of variance among the three group means yielded an F of 2.14 which was not significant.

9. There is no significant difference in attitude scores among individuals from different regions (Hypothesis 5 - Accepted). An analysis of variance among the six regional groups yielded an F of .875 which was not significant.

10. There is no significant difference in attitude scores between individuals at the salesman level of the hierarchy and individuals at the vocational manager level or the branch and regional manager levels (Hypothesis 4 - Rejected). Vocational managers (sales managers) had attitude scores significantly lower than branch and
regional managers \((t = 2.87, p < .05)\). There was no significant difference between the mean scores of salesmen and branch and regional managers.

11. There is no significant difference in attitude scores between individuals who perceive the opportunity for obtaining an equivalent position at another company as very likely or likely and individuals who perceive the opportunity as some, slight, or not at all (Hypothesis 14 - Accepted). The results show that there is no significant difference between the two groups. A one-way analysis of variance yielded an F of .210 which was not significant.

12. There is no significant difference in attitude scores between individuals who perceive the opportunity for obtaining an equivalent salary at another company as very likely or likely and individuals who perceive the opportunity as some, slight or not at all (Hypothesis 13 - Accepted). There was no significant difference between individuals who perceived the opportunities elsewhere as likely and those who felt they were slight. A one-way analysis of variance between the groups yielded an F score of .047 which was not significant.
Chapter VI will summarize the research and the major findings. Included will be a section on the implications of the study for those people who are interested in implementing changes with a minimum of disruption to those affected by them. Special attention will be given to implementing change in sales organizations.
CHAPTER VI

SUMMARY AND IMPLICATIONS

The basic objective of this study was to measure the affective response of members of a sales hierarchy to a major change in the structure and in the promotion and compensation systems of their sales organization. A primary objective, therefore, was to develop an instrument to measure attitudes. To accomplish this, the scalability of ten Likert-type items in the questionnaire was determined. All items were found to differentiate between mean item scores of high and low attitude groups in a monotonic direction. The difference between summary scores for the high and low groups was statistically significant. The attitude index that resulted was believed to be a meaningful instrument for measuring affective response to change.

The specific purpose of the study was to determine those factors which, by affecting attitudes, tended to promote or impede the implementation of change in a sales organization. Two groups of factors
were considered: those concerned with the manner of introduction which may result in resistance to change, and those concerned with negative aspects of the changes which may result in opposition to the change. The dichotomy between simple opposition and resistance was proposed by French in his review of conflict in organizations." Resistance was defined as a tendency to work against the change because of the manner in which the change was introduced.

It was found that individuals who felt that, overall, the manner of introduction was satisfactory had significantly higher attitudes than individuals who felt that the manner of introduction was not satisfactory. Respondents were about evenly divided between those who were satisfied with the manner of introduction and those who were not.

One of the factors that may be included in the manner of introduction was the timing between announce­ment and the start of implementation. Those individuals who felt that the advanced notice given about the changes was sufficient had higher attitude scores than

those who felt it was not sufficient. Again, respondents were about evenly divided between those who thought the timing was sufficient and those who did not.

Previous studies have shown that one of the more important factors influencing attitudes toward the way a change is introduced is perceived participation in the change. Only 11 percent of the respondents felt that their opinions were considered when the changes were made. Half of these were branch and regional managers. Only 4 percent of the sales managers and 12 percent of the salesmen felt that their opinions were considered. However, 68 percent of the branch and regional managers, 74 percent of the sales managers, and 59 percent of the salesmen felt that their opinions should have been considered. Those individuals who felt that their opinions were considered had higher attitude scores than any other subgroup. Perceived participation in the change through having their opinions considered proved to be one of the most significant factors in separating high versus low attitude groups.

The amount of information an individual feels he has about a change has been found to influence his
perceived control and trust in the change effort. The more information he has, the more control he feels he can exert. Therefore, another important factor in determining attitudes toward the way in which a change is introduced is perceived information. Those individuals who perceived the information about the structural, career path, and compensation changes as sufficient had higher attitude scores than those who felt that some information was lacking. From 60 to 70 percent of the respondents felt that the information was not sufficient. Respondents especially desired more details about the compensation changes.

Another important factor at the introduction stage is whether or not the sales personnel felt that the company would solve any personal problems they had as a result of the changes. Those respondents who were confident that the company would solve their personal problems had significantly higher attitude scores. Over 70 percent of the respondents felt that the company would solve their personal problems. This reflects the trust that most sales organization members have in top management at Bemco.
One of the critical factors in determining attitudes toward the manner of introduction is perceived need for the change. Those respondents who felt that the change was necessary because of changing customer demands had significantly higher attitude scores. About 64 percent of the salesmen, 34 percent of the sales managers, and 60 percent of the branch and regional managers saw the need for changes because of changing customer demands. The data indicates that there was a lack of communication to the sales managers about the need for a change.

Factors Affecting Implementation

The analysis identified six of those factors which, by affecting attitudes, tend to promote or impede the implementation of change:

1. The manner of introduction in general.

2. The timing between announcement and the start of implementation.

3. Participation of organization members in the changes.

4. The amount of information that organization members receive about the changes.

5. The amount of trust the organization members have in management's
willingness to solve personal problems that may result from the changes.

6. The perception that organizational members have of the need for change.

It is hypothesized that those individuals who have negative attitudes toward these factors would have more of a tendency to resist the changes than individuals with positive attitudes. Most of the factors involve some form of communication between those making the changes and those affected by them. Another hypothesis is that individuals who feel that their opinions are sought, who have adequate information about the need for changes and the objectives of the changes, and who are confident that any problems resulting from the changes will be solved, will support the changes and facilitate implementing them. The results of this study strongly indicate that the significant differences between high and low attitude scores were due more to the six factors outlined above than to any effects the changes may have had on individual's jobs.

There was a significant difference in the mean attitude scores of those individuals who expected that the overall effect of the changes would be good and those who were uncertain or thought the effect would
be bad. However, only 15 percent of the respondents thought the effect would be bad, while 46 percent thought the effect would be good and 39 percent were uncertain. Because so few of the respondents felt the effect would be bad, these findings indicate that the effect of the changes on job factors would not tend to be an important source of opposition to the changes.

Support for this position came from the finding that there was no significant difference between individuals who expected the effect to be significant and those who did not. These results indicate that influences other than the effect on job factors resulted in the major differences between high and low scores.

A tentative conclusion from this study is that the six factors that were linked with the manner in which the changes were introduced are the ones which, by positively or negatively affecting attitudes, would tend to promote or impede implementation of the change. Support for this conclusion came from the analysis of personal variables. If the effect of the changes was the primary influence on attitudes, then there should
have been significant differences between groups of various ages, educational backgrounds, and years with the company. The fact that there were no differences between these groups indicates that attitudes toward the changes came from a more universal experience.

Further support for the belief that the attitudes were generally the same throughout the sales organization came from the finding that there was no significant difference in attitude scores among the six regions. The conclusion of this study, therefore, is that the way in which the change was introduced had a more significant effect on attitudes than any other aspect of the changes.

**Implications of the Study**

As pointed out earlier in this study, environmental changes are placing pressures on sales organizations to adapt and to grow to maintain a viable marketing position. Montgomery and Webster point out, however, that:

*It is both risky and expensive to tinker with a sales organization on the chance that the changes may, or may not, result in a more effective strategy. Selling strategy decisions, therefore, tend to be made within the constraints*
of present organizational arrangements . . . . \(^1\)

They further say that:

The lack of convincing evidence of the value of change, added to the expense involved in implementing change, can lead to a strong preference for the status quo in personal selling strategy.\(^2\)

O'Connell estimated that over two-thirds of the billion dollars spent on consultants in this country pay for data gathering which terminates with a huge report of findings, conclusions, and recommendations. \(^3\) O'Connell's point was that while managers may find it exciting to work in an environment charged with creative ideas about change, true satisfaction comes only when management bridges the "creativity-innovation gap." That is, when attempting the complex task of implementing major organizational change, knowing what to do may be less important than knowing how to do it. \(^4\)

The purpose of this study was to find those factors which affect the implementation of change.


\(^2\)Ibid.  \(^3\)O'Connell, Managing Innovation, p. 162.

\(^4\)Ibid., p. 161.
This information may be helpful to those people charged with the task of making innovative changes in organizations. However, in a field study such as this one, the presentation of unqualified generalizations is limited by a lack of control measures and refined data-gathering instruments. The conclusions, therefore, are in the form of hypotheses which need further verification through other case-studies of change. Nevertheless, the results do indicate some areas that may need special attention when changes are made.

The most significant finding was that attitudes toward the way in which changes are introduced may be as significant as attitudes toward the effects of the changes. Some of the earliest case-studies of organizational change revealed the importance of employee participation in change, but not enough effort has been made to apply such concepts to changes in sales organizations. It is hoped that the findings from the case-study presented will help change agents be more aware of the problems associated with implementing marketing changes.

Lack of attention to behavioral factors may have resulted in resistance to the changes among members of the
sales force. Because decisions to accept or resist the change effort were made at the lower management and salesman levels, management should have consulted an expert on the behavioral aspects of change implementation in order to minimize resistance. A strong case can be made for involving a consultant as change agent throughout the change process.\(^1\)

There seems to be a great need for market researchers and consultants to apply social-psychological concepts to their efforts to keep organizations viable. Successful change efforts have been shown to depend upon the reaction of those affected as well as upon good planning and research by corporate management. Judson summarizes this concept rather well:

The analysis and planning phase of a change should be completed before any overt action is taken actually to institute it. Thus, management should be prepared beforehand to cope with any resistance . . . They should understand how the change is likely to be perceived by the people affected . . . Because management will have anticipated many of the problems, they should be prepared to meet these difficulties with possible solutions. With such preparation, management can improve the probability of acceptance of the change by those on whom its ultimate success is most dependent. Thus, the time management invest in analysing and planning the change

\(^1\)Ibid., p. 161.
should pay rich dividends during their subsequent implementation of it.\textsuperscript{1}

It is hoped that the case-study presented, together with similar research on other organizations will help clarify those factors which should be considered during the analysis and planning stages. Such research should provide a more complete answer to the question of how to implement change in sales organizations with a minimum of disruption to those affected.

\textsuperscript{1}Judson, \textit{A Manager's Guide}, p. 147.
APPENDIX
Dear Sir:

How does an organizational change like the one recently introduced affect the people involved? The answer to this question is of great interest to all members of sales organizations during this period of rapidly changing markets and sales opportunities.

Current knowledge of business experiences supplemented by the thinking of sales organization members like yourself can give direction to those concerned with minimizing the disruptions that may occur with such changes. My plans for a career as a marketing teacher have led me to explore this problem as part of my graduate program at Ohio State University.

has given me permission to contact various members of its sales organization to conduct my research. So that the study will be complete and authoritative, will you please participate by completing the enclosed questionnaire and returning it to me in the envelope provided? The data will be kept confidential, and your answers will appear only in grouped data.

In order to complete the report before school ends, I will need the data as soon as possible. I appreciate your help in preparing this report.

Sincerely,

William G. Nickels
ORGANIZATIONAL CHANGE QUESTIONNAIRE

The Ohio State University

College of Administrative Science

Date: ____________

Recently your company was involved in major changes of the field sales organization. This questionnaire is designed to allow you to express your ideas relative to these changes and to make some recommendations about how corporations should make such changes in the future.

This is an independent research study for purposes of a Ph.D. dissertation. The author is in no way tied to management of the company. This questionnaire is entirely confidential. The information will be reported in general terms, but individuals will not be identified in any way. Therefore, you are asked not to sign this questionnaire. The aim of the study is to explore organizational change, not individuals, and the objective is to determine how to make changes with a minimum of disruption to the people involved. Please answer all questions so that the study will be complete and authoritative. Thank you.

ANSWER EACH QUESTION BRIEFLY

1. Was the information you received about the field organizational changes sufficient?
   
   Yes [ ]    No [ ]

2. If no, what information would you like to have about them?

   
   ______________________________________________________

3. Was the manner in which the changes were introduced satisfactory to you?

   Yes [ ]    No [ ]
4. What factors do you think led the company to introduce the field **organizational** changes?

________________________________________________________

________________________________________________________

5. Was the advanced notice given about the changes sufficient?

Yes [ ]  No [ ]

6. What would you have done differently about announcing the changes?

________________________________________________________

________________________________________________________

7. Do you think the field organizational changes will have a significant effect on your job?

Yes [ ]  No [ ]  Uncertain [ ]

8. Will the effect be good or bad?

Good [ ]  Bad [ ]  Uncertain [ ]

9. What aspects of the changes do you particularly like?

________________________________________________________

________________________________________________________

10. What aspects of the changes do you particularly dislike?

________________________________________________________

________________________________________________________
11. In what way will you be most affected by the field organizational changes?

12. Was the information you received about the promotion change (career path) sufficient?
   Yes [ ] No [ ]

13. Was the information you received about the compensation change sufficient?
   Yes [ ] No [ ]

14. If no, what information would you like to have about either the promotion or compensation changes?

15. What effect did the compensation changes have on the amount of money you will make this year?
   Increase [ ] Decrease [ ] Uncertain [ ]

16. What effect will the compensation changes have on the money you will make in the long run?
   Increase [ ] Decrease [ ] Uncertain [ ]

17. What do you think people at your level in the sales organization will do if they do not like the changes?

18. What problems do you think the company will have as a result of the changes?
19. How would you go about solving these problems?


20. Do you expect the company to make any further changes in your job in the near future?

Yes [ ] No [ ]

21. If yes, what would they be?


22. What changes at your level do you think the company should introduce in the future?


23. Were you happy working for the company before the changes?

Yes [ ] No [ ]

24. Are you happy working for the company since the changes were made?

Yes [ ] No [ ]

25. Do you expect to be with the company five years from now?

Yes [ ] No [ ]

26. To what extent is it likely that you can leave your present job and obtain an equivalent salary at another company?

Very Likely [ ] Likely [ ] Some [ ] Slight [ ] Not at all [ ]
27. To what extent is it likely that you can leave your present job and obtain an equivalent position at another company?

Very likely [ ] Likely [ ] Some [ ] Slight [ ]
Not at all [ ]
**First**
Please rank below (from 1-11) the importance to you of the job factors listed in the next column.
1 = most important
2 = next most important, etc.

**Job Factors**

<table>
<thead>
<tr>
<th>JOB FACTORS</th>
<th>First Rank</th>
<th>Second Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job security I have</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity for recognition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of pay I receive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution I make to the company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunities for promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My status in the company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of making a sale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of authority I have</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of support I get from others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity to do the kind of work I like</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chance to work for a good manager</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Second:**
Please put a check in the appropriate box below to indicate both the effect of the change and your feelings about it.

<table>
<thead>
<tr>
<th>What effect did the changes have on the job factors listed?</th>
<th>Much More</th>
<th>More</th>
<th>No Change</th>
<th>Less</th>
<th>Much Less</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do you feel about the effect the changes had on the job factors listed?</td>
<td>Like Very Much</td>
<td>Like</td>
<td>Don't Care</td>
<td>Dislike</td>
<td>Dislike Very Much</td>
</tr>
</tbody>
</table>
The following statements were derived from conversations with various people involved in the changes. Please read the statements listed and evaluate them AS THEY APPLY TO YOU PERSONALLY. The answers may be marked from strongly agree (SA) to strongly disagree (SD). Circle the answer with which you most closely agree.

1 = strongly agree
2 = agree
3 = undecided
4 = disagree
5 = strongly disagree

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am confident that the company will clarify any problems that I may have as a result of the changes.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. I feel uncertain about what my job will require as a result of the organizational change.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. In general, the changes made are a good thing.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. I was better off before the changes than I am now.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. In the long run, these changes will make my job a better one.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6. I feel that the changes made are not fair to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7. I feel that my opinions were considered when these changes were made.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8. I feel that my opinions should have been considered when these changes were made.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
9. The organizational changes were needed to meet the changing demands of our customers.  

10. The competitive position of the company will be stronger as a result of the organizational change.  

11. These changes do not fit at all into my long run career plans.  

12. I need more information about the changes before I can evaluate them properly.  

13. I support these changes because they are best for the company.  

14. I will be able to do a better selling job as a result of the organizational change.  

15. The changes made were in my best interest.  

Job Title: ____________________  

Age: ____________________  

Education: High School ______  
  Some College ______  
  Completed College ______  
  Some Graduate School ______  

Number of Years eligible for CPC: ______  
Number of Years made CPC: ______  
Number of Years with Company ______  

THANK YOU!!
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