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Employee Welfare related to Organisational Change

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This Thesis presents existing theory regarding Organisational Change and Employee Welfare related to that. Organisational changes come in many forms, but they always include employees and the employee welfare is always affected by the change in some way. How does organisational change affect employee welfare, and is employee welfare sometimes the reason for implementing change, have been selected as the research questions. Changes create various emotions and these can range from positive to negative, whether expected or a total surprise for the employees. If the change comes as a surprise and creates confused emotions, employees can start to resist the change.

Both qualitative and quantitative research methods were conducted for this Thesis. The qualitative data consisted of an interview with the Head of Human Resources in one of the largest companies in Finland and the aim was to better understand the company perspective on change processes. The quantitative research consisted of an online questionnaire spread through social media and personal connections, to get a wider picture of how changes are seen and how they affect the employee welfare.

The research concluded the effects of change on employee welfare are really wide and unfortunately the employee welfare curve does not show change in a positive light. It is very rare for employee welfare to be the reason for implementing change, but research shows maybe it should be. The research concludes employee welfare should be considered more when planning a change, and the change processes should be improved to better support the employee welfare.

| Keywords                        | Employee welfare, Happy Employee, Productive Employee, Organisational Change |
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1 Introduction

Employee welfare is considered more and more important in companies, and a lot of effort is put to achieve satisfied employee environment. All companies face changes at some point. The change itself, the way the change process is implemented, and the outcomes can all affect employee welfare positively or negatively. Reasons why companies feel they might need to change vary depending on many factors and it would be interesting to see if employee welfare could be one of these factors.

Careful research has been conducted on how employees welcome organisational change and what sort of emotions the change process might bring. The following Thesis would like to search how the employee welfare and satisfaction changes throughout a change process, and if a change could sometimes happen because of decreased employee welfare in a company.

The subject is significant for many, satisfaction at work not only influences the company, but it also increases the happiness of the employees. Work is a huge part of our lives, and everyone should have work on something they enjoy doing. Employee welfare can have a positive effect on the company results and more focus is put on the subject because companies want to have the best and the most motivated employees working for them. Employee welfare should be important to all companies globally, as it increases the positive image of them as an employer luring the future employees to apply to work there. Improvements made to employee welfare keep the existing employees happy and motivated. When person is satisfied with what they do for a living, they do it better, more efficiently and really care about the results.

The aim is to search how change is usually welcomed and what emotions change brings, and through that it should become clear how change processes could be improved to better meet the employee welfare needs.
2 The research question

Thesis aims to answer the following research question; How does organisational change affect employee welfare and is employee welfare sometimes the reason for implementing change.

Existing theory on the subject has been gathered and considered, and both qualitative and quantitative research have been conducted, and they have been analysed and supported with existing theory. Qualitative method is a comprehensive interview with the Head of Human Resources in one of the biggest, and in its sector leading, companies in Finland. The company will be referred as “Company X” in this Thesis. The company has faced multiple changes during its long history, and the Head of HR has a comprehensive picture of the changes particularly in regard to employee welfare. The company remains anonymous due to confidentiality reasons. The interview is relevant and gives beneficial views on the subject, as HR can support the change in many ways other managers cannot. These ways are for example helping to institutionalise a successful change, facilitating planning meetings and conferences, hiring and assigning consultants, re-assigning and / or outplacing personnel displaced by the change, as well as designing and arranging training for all relevant levels in the company. (Bürkland, S. 2018: 12).

The quantitative research has been done as a questionnaire spread through personal network and social media to reach an appropriate target group. The aim of this wider questionnaire is to form a bigger picture of employee welfare and emotions change process brings. The change itself does not have such a heavy value during the analysis. The questionnaire achieved the goal of replies, although the response rate was relatively small due to time limitations.

3 Employee welfare

According to Saikiran, B. (2013: 2) “Employee welfare means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not a necessity of the industry.”. He states the Employee welfare
concept benefits all parties, the employee as well as the employer, and even the society. Objectives from the company side can be to improve the loyalty and morale, to reduce labor turnover and absences, and to improve productivity. Also, it can improve the public image of the company and show goodwill. (Saikiran, B., 2013: 4). Companies have started to put more focus on their employer image, as the aim today is to recruit the best and most motivated employees, thus the company need to be seen as desirable employer.

Organisations globally have started to put more focus on their employees’ well-being. Multiple studies have shown in the past years that employee satisfaction has great impact on company results and should thereby be carefully considered and improved (Chamberlain, A., 2017). Sgroi, D. (2015: 1) states today, happiness is just as important policy and measurement for governments as are for example economic growth and unemployment.

Multiple employee welfare studies about change in general and during a change, can be found online or in the libraries, but the effects the change causes to employee welfare have not been discussed as far as they could be. It would be interesting to see through research and analysis if some workplaces have launched changes particularly with the intention to increase employee welfare.

3.1 Maslow’s Hierarchy of Needs

Everyone has the basic human needs in life, which are the Self-actualisation needs, Esteem needs, Social needs, Safety needs and Physiological needs. These cornerstone needs are also called the Maslow’s Hierarchy of Needs, which is a well-known theory in the field of Human Resources. Exploiting and fulfilling these needs, can greatly enhance employee welfare and the theory should be familiar to all companies.
The level of these five needs vary depending on the individuals, who are usually motivated by the unsatisfied needs. Maslow has divided the needs to two groups, the Higher-order needs and Lower-order needs. The Higher-order needs, Self-actualisation, Esteem and the Social needs are usually satisfied internally. The Lower-order needs, Safety and Physiological needs are usually satisfied externally, which means external issues can have an effect these needs. (Juneja, P., n.d.) Employers should focus on the Lower-order needs, supporting the employee by providing a safe working place, paying sufficient salary, assisting with work health care, and if possible, helping to find a work apartment. Although the Higher-order needs are generally satisfied by individuals themselves, employer can assist with these as well by offering employees opportunities, challenges and growth options, show them respect and give positive feedback. Employer can work to make the workplace a nice social environment for example by encouraging teamwork, or by organising personnel parties.
3.2 Creating positive circle with good leadership

For Profit Organisation’s primary goal is making profit. (Business Dictionary, 2019). To reach this goal, these organisations need to have bigger revenues when compared to costs. Increasing results is a multi-step process and requires actions in various sections of the company. One of these sections is personnel, the people who do all the work and interact with the customers.

All for-profit organisations seek sales and revenue. They usually increase and generate better results, when customer satisfaction is on high level and / or is developing with a positive curve. Customers always buy products or services, and this transaction always includes interaction with a sales person in one way or another.

Thus, it is pivotal how the personnel perform on customer service tasks and sell products and services. The better the personnel are led and the more motivated they are, the better the products and services are. Once the products reach their full growth and development potential, personnel can still better affect the presentation of the products, whether it is in a store or on a web site. For example, a dress is always a dress, but the more appealing and better presented it is on a store shelf, or the better it is described.
online with multiple pictures, videos and exact measurements, the better the consumers view the dress.

Once the revenue and sales increase, part of the profit should be invested in improving the leadership continuously, and to motivate the employees more and more. This creates a positive circle. Great leadership and proper motivation of the personnel improves the products and services, which increases the customer satisfaction, which then increases the sales and revenue.

The key is the company vision. Setting a goal and mapping the tools to reach the goal, should always include the personnel as well. Once the personnel are involved from the beginning, their motivation and commitment to reach the goals set together, increases greatly. (Ojala, 2019).

4 Organisational change

According to Morgan and Zeffane (2003: 63-64), there are four types of organisational change. The types are “1. Introduction of major new office technology (information), 2. Introduction of major new plant, machinery or equipment (operations), 3. Major reorganisation of workplace (structure), and 4. Major changes to how non-managerial employees do their work (task)”. Change can occur in any one, or in some cases multiple, of these areas. All of these can affect employee welfare, negatively or positively. For example, if the technology used in the company is heavily outdated, slow and hard to use, could be assumed the employees will be happy if the technology is updated to this decade. Whereas if the technology has been working well and employees like the current state, they might be disappointed if the company decides to bring in new systems. According to the research, structural change was the most important, as changing the management and organisation of a company had the most impact on employees. Structural change can be for example changing the way the workplace is managed or organised. (Morgan & Zeffane, 2003: 64-68).

Multiple change theories exist, which can be read for further information on how to implement change. These theories are for example The Planned Change by Kurt Lewin and Leading Change by John P. Kotter. This Thesis focuses on change in general and
the effects of change to employee welfare, thus different theories will not be introduced in detail. The example theories are described more in detail for example in the Thesis written by Bürkland, S. (2018), who has been referenced in this Thesis as well.

4.1 Successful organisational change

Four key elements of successful change process are “1. Leadership, which means setting clear direction, inspiring change for all levels and to see that the change is implemented, 2. Identifying and defining the change which is required, 3. Managing the change, especially by including people to the process and clear communication, and 4. Learning about the process”. It is important to acknowledge what triggered the need and / or want to change, how the organisation prepared for the change leadership, direction, and planning wise, and finally on how the organisation implemented the change. There are both external and internal drivers for the change, and sometimes these might be connected to each other. One external driver can be for example Customer Requirements, and internal driver Improving operational efficiency, and these have direct connection between each other. Taking into consideration the Customer Requirements might need Improving operational efficiency internally. There are other drivers as well, but employee welfare is not mentioned as one of them, although often dissatisfied employees might produce poorer results. (Oakland & Tanner, 2007:5).

For the change to be successful, stable and well-managed leadership is important. Leaders need to make a clear plan for the change, stick with the decision made, accept the risks the process might bring and come up with clear success criteria on what to evaluate the success. According to Oakland and Tanner (2007: 14) almost all the companies on their research used external help at some point to manage and support the change better, this help could have been for example training or technical support. To prepare for the change the company needs to set expected long-term objectives, which often have to do with cost reduction, cultural alignment, better customer relations, operational effectiveness and efficiency. Short-term objectives can be operational improvements, and others consider communication and cultural aspects. (Oakland and Tanner, 2007: 6). It is surprising not to see any mentioning about the employee welfare benefits, as the better the working environment works, the better the employee
productivity is. Employee welfare should be included in the list, and in general in the reasons why organisational changes are done in the first place.

It is important to have all the right roles and teams, and right people in the right roles for the change to succeed. Change processes have various roles, such as the sponsor, who is usually working at an executive level, and has the responsibility of the change initiative. This role is important, as it offers the executive-level support and resources needed. The senior guiding team are a group of individuals who have high authority and influence. They are the ones who put the resources to a good use, offer support, develop the change vision, and guide and engage all employees through the change ensuring a successful outcome. Field guiding team members are the leaders of the change, who can encourage employees and whom the employees respect. The final team is the change teams, who are leading their employees to successfully implement the change. The team consists of managers and supervisors who follow that all steps are done well, and on schedule. These teams need to include the right people, the people who the employees respect and trust, and whose example they are willing to follow during the change. (Bürkland, S. 2018: 11). The importance of forming the correct roles, and to put each individual to suitable roles came out also in the interview with the Head of HR in the Company X. It was discussed that it is beneficial to listen to the people, ask them in which positions they would like to be in, and where they think they would be best suitable at. This assures the employees are more likely to want the change to succeed, once they have the possibility to influence their stake and become more committed in the change process. (Anonymous, 2019).

The Human Resources Managers have many tools how they can support and help the change process, due to their expertise and job specifics. These tools can be for example employee rewards, organisational design, facilitating meetings and conferences, organising trainings, hiring consultants and reassigning workforce. HR professionals can act as the change agents, who initiate and lead the change, or they can be the change facilitators, supporting the change someone else has initiated. (Bürkland, S. 2018: 12). Other roles discussed during the interview were for example planning the change, forming a change model to a specific change happening, forming questionnaires to hear employees’ opinions, handle all the normal payroll and personnel contract tasks, and
organising personnel parties to celebrate a successful change and to reward personnel. (Anonymous, 2019).

Communication is a crucial part of making the change successful. It increases the trust the employees have for the management, and for the process. Open lines of communication help greatly to engage the employees and to let them see the change is a good thing. (Allen et al, 2007:196). Trusting the management always decreases during a change process, no matter what the type of change is. It is important the management shows themselves as trustworthy during the change, so the decrease of trust level is as small as possible. (Morgan & Zeffane, 2003: 57-58). Maybe decrease could be avoided if more focus would be put on improving the communication and creating a detailed communication plan.

Employees are more likely to react better to the change if they are involved in the process. They often believe they have the best knowledge of the day-to-day operations and tasks, so it is important to hear out the employees as well. Consulting of the employees should be done directly by the supervisors or higher management – this has resulted in greater trust in management by the employees during change process. Including employees to the decisions on what to change, has proven to positively affect their work in regard to responsibility, involvement, job satisfaction and work/life balance. (Morgan & Zeffane, 2003: 68-69).

For example, success for the Genomics Center which implemented new technology, meant improving their recruitment methods by being clearer about the requirements, having more clear communication about goals and expectations and making the employees feel valued by offering them interpersonal skills workshops. Also, the leaders started to get more support by coaching and training developments. The change was done and measured in an effective and consistent way, by using a so called WAVE team.¹ They acted as the change-management team, they tracked the issues the change

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¹ “The change team’s first move was to give themselves a name, and they decided on the ‘WAVE team’. WAVE would metaphorically stand for washing ashore new ideas and ways of working together and washing away old attitudes and ways of working that were no longer functional.” (Joffe & Glynn, 2001: 373).
Process might have caused and what kind of results the change made. (Joffe & Glynn, 2001: 373). Although the change was done in a tech company and was not related to structural change, it is a good example of clear goals, pointing out the things which need improvement and focusing on those aspects. It is very important to follow the results throughout the change, not only at the end of the process. This helps to track what kind of emotions and outcomes the process brings and helps to take corrective actions if employees feel for example uninformed during the change, which often causes dissatisfaction as Morgan & Zeffane (2003: 69) state.

4.2 Issues with organisational change

Once the change has been completed and proven successful, multiple positive outcomes will help the employees and increase their welfare. Despite the possible positive outcomes, the process itself can be long and stressful, and the change might even be unsuccessful. It is estimated 40-70% of large-scale change initiatives fail, which brings many problems to company operations, such as financial issues, but also for the employees. (Allen et al, 2007: 188).

During the change, employees face new stressors which have not previously been part of their workday, and unfortunately sometimes clear communication about the changes is forgotten. In addition to stress, employees might feel uncertain about the future, will their position still be needed after the change and what their role and responsibilities will be in the new environment. To influence employee’s attitudes and beliefs, it is crucial to keep open and transparent communication about the changes. Trust is a key element during the uncertain time of change. The employees who feel they cannot trust the management during change, will more likely criticize the process. Trust more likely helps the employee to understand why the change is happening, how the process will happen and make them feel more confident about the change. (Allen et al, 2007: 188-189).

Manager’s task is to communicate why the change is needed and convince employees the tasks could be completed even better. This can be hard if the employees do not feel the need for change and consider things are fine as they are, whereas employees are more likely to be open for change if they feel frustration of the current processes in the organisation. (Bürkland, S. 2018: 5).
Due to fear of various issues, employees might seem to resist the change. Dijk and Dick (2009: 143-145) state the change is not the problem and subject of resistance for the employees, but the outcomes of the change. Employees might see the change bringing threatening outcomes for the future, such as losing status, salary, comfort or control, or even having to work more. (Dijk & Dick, 2009: 144). Stating the change is not the problem is worth criticising, as the means of achieving the change is as important as the outcome. In the worst-case scenario, badly implemented change can damage the desired outcome of the change. For example, if the communication is not sufficient enough or the employees feel they are not included in the change, can cause dissatisfaction and negative emotions towards the change, even if the outcomes would in the long run be positive. For this reason, it is crucial to carefully explain to all employees the reason for the change, desired outcome and the means how the goals will be reached, together. It is true some people resist the change just for the sake of resisting, but the likeliness of this happening can decrease greatly when including employees to the change.

As discussed earlier, the employees might react badly to the change if they are not consulted on the change and if they feel left out of the process and decisions (Morgan & Zeffane, 2003: 68). On the other hand, the involvement of top management is also important in the change process, too little involvement from the management can be hindering the change (Oakland & Tanner, 2007: 11).

It is important to consider both the group and the individuals during the change. Individuals need to understand why the change is made, they need to see the benefits and change their own behaviour, but the individuals act according to the group norms. Hence it is important to change the group behaviour as well, otherwise the change might not succeed. For any change to succeed, learning has to happen on all levels of the company. Effort needs to be made to change groups, which will then change the whole organisation. Many change theories put the pressure on a few individuals and focus on the individuals making the change happen. These important individuals can be leaders, managers or all employees in the company. One theory suggests it would be wise to form guiding teams, who would be especially prepared for the change, and could then
help to guide everyone else through the change as a group. (Bürkland, S. 2018: 6, 22-23)

The people who have designed and planned the change, are not always the ones to actually implement the changes. This might be the case especially when using external consultants. External consultants are used to plan and design the change, and to learn from their expertise and experiences, but they are not the employees who go through the change itself. Consultants train the employees for the change, and give them the tools, skills and knowledge they need, and can supervise the success of the change. It can be difficult to have an outsider leading the change, so usually the leading process is done by the leaders, or several leading teams. (Bürkland, S. 2018: 23)

5 The link between organisational change and employee welfare

Change usually happens when a company has faced conditions of perceived failure (Morgan & Zeffane, 2003: 57). Often the need for change can be hard to detect early, rather in many cases it takes a long time for the management to see something is not right and something needs to be done in order to improve the operations. One symptom for the need of change can be for example employee dissatisfaction, or simply the company’s desire to get better results. (Allen et al, 2007).

One of the most wanted companies to work for, is Google. Google is one of only three companies, which has made it to Glassdoor’s Top 100 companies to work for list every year in the list’s 10-year history. (Dickler, J. 2017). The tradition has still continued with the list for 2019. (Hess, A. 2018). Although employee welfare does not always come from the benefits which cost much, Google offers multiple positive and thoughtful benefits for their employees to show them they are appreciated. They offer paid holiday days all the way beginning from the first year, long and paid maternity and paternity leaves for parents, healthy and tasty lunch and snacks every day at work, wine Fridays, some of the offices have a gym the employees may use for free, and many more benefits. (Cain, Å., 2017).

An experiment done in the University of Warwick in 2009 researched the link between happy workers and productivity, with over 700 participants. One experiment group was
shown a comedy clip, and then they were asked to perform a simple task, where skills do not make a difference. It was found out the individuals made happy, had approximately 12% better productivity. To check the results, another group were shown shocking videos, and then performed the same task. This group results show lower happiness caused lower productivity. Limitations of the study was the experiment per participant was small and only a very specific kind. The potential productivity growth can be achieved by making employees happier, but the costs should be kept to the minimum, so the higher productivity does not end up too high costs (Sgroi, D., 2015: 2-5, 12-13). Sgroi, D. has a point that the welfare actions do not always have to cost something, they can be as small things as giving a verbal or written positive feedback. Weekly breakfast or starting the Monday with a fun video are small financial or time investments which could be beneficial for so many companies. Although this study focused on happiness, if workplace is increasing the happiness of their employees, it could be seen related to employee welfare.

Investing more in supporting employees and increasing their satisfaction has resulted Google to increase their productivity by 37%. (Krapivin, P., 2018). This shows investing in employee welfare is not just about giving employees more, but it actually makes the employees give more to the company. Reviewers have given Google 4.6 out of 5 stars, and the employees are praising Google for everything they do for them (Cain, Á., 2017). Google employees show respect and gratitude towards their employer by giving them more productive results, even without realising it.

If the organisational change would be done due to poor employee welfare, the company should first carefully evaluate a) the extent of dissatisfaction, (b) the cause of dissatisfaction, and then judge (c) whether or not the reason for this dissatisfaction is justified. There are always some who feel unsatisfied no matter what kind of actions are done in order to increase the welfare, so if a change is done, the extent of dissatisfaction should be so large, it will actually change the whole employee welfare and maybe even increase results such as productivity. To change anything, one needs to indicate the cause of dissatisfaction to know what needs to be changed. By finding out the cause of dissatisfaction, can be found out if the dissatisfaction is even justified, or maybe the employees should be the ones to change their way of thinking.
Human Resources Management has a huge importance during change, and the role of HR can vary depending on the change in question. HR managers have different tools to support the change with, such as:

- "Help institutionalize successful change through employee development, rewards, and organizational design;
- Facilitate meetings and off-site conferences among managers to devise plans for implementing change initiatives;
- Hire and assign consultants to projects related to a change effort;
- Reassign and/or outplace personnel displaced by change;
- Design and arrange for executive, managerial, and employee training needed to secure the successes of a transformation

HR can have two roles in organizational change:

- Change agents – they initiate and lead the organizational changes that a company must make to remain competitive in the face of major business shifts

Thus, the importance, professional views and many tools of HR, a qualitative research was done by conducting an interview the Head of HR in one of the leading Finnish companies in its field of business. The company operates all around Finland, has a great profit margin and employs over 40 000 people. They have a Matrix Organisation structure, which means there are more than one supervisor per employee (Anonymous, 2019). The history of the company is long, and they have experienced multiple and various types of changes during their existence. The company and the Head of HR will remain anonymous due to confidential reasons. The translated interview questions can be found in Appendix 1.
6.1 Importance of HR

The importance of HR has been rising recently, and HR specialists are more and more needed in companies. It is important to have a specialist who thinks about the people working to reach the desired results as well, not to simply demand certain results. Happy employees are more motivated and more likely to achieve better company results.

Companies should seek to have a competitive advantage also related to the employer image, to be able to recruit the most passionate and motivated employees. Investing in teamwork and managerial leadership should be one of the top priorities, to have a working system and pleasant working environment, which helps to reach the goals. It is important to place employees to correct positions and give them suitable tasks. The company should consider if the employee supports the organisational structure, and what roles need to be fulfilled. Employees are the ones to carry out any changes, so they need to be involved in the process and form a commitment and motivation for the employees to work hard to reach the goals set together. True leader listens and guides their team, what they wish to do and how they would like to improve themselves.

Most important HR roles in Company X are trainings, rewarding and improving leadership work continuously. Great leaders result in great teams, whose work results in increase in revenue and sales, which is the Company’s primary goal. Also, organising personnel parties is an important part of HR tasks, it is crucial to reward people from a job well done, to raise the spirit, thank everyone and to make the job community one. (Anonymous, 2019).

6.2 General views and processes

Company X is a for-profit organisation, and therefore most of the changes initiate from seeking higher financial results, rather than to increase employee welfare. The changes can have a positive effect on employee welfare as well, if for example processes are improved and new changes motivate employees.
Company X has used outside consultants on some changes, especially related to their international operations. Interviewee sees both pros and cons when using outside consultants, but feels they are rarely needed in this company. This is due to the comprehensive experience of the HR department, there is always someone who has done this and this sort of change before, and the company is able to exploit their knowledge and experience. Interviewee sees the benefit of using an outside consultant especially with cases which are big and complex. The consultants have a comprehensive experience and knowledge of different changes and they can bring smart tools for the change process. If the situation is new and no one has seen a similar change before, it is wise to bring an outside expert to the inexperienced situation. Change processes are always tense and bring all kind of emotions for the employees, and it is an important goal to make the process as smooth and well managed process as possible, to avoid decrease in employee satisfaction. On the other hand, outside consultants often have very time-consuming processes in use, and the reporting can be really heavy and bureaucratic.

The interviewee feels employee welfare does usually increase due to changes, but Company X has a goal to gather continuous diagnostics of how the systems are working and try to react quickly to negative changes. This helps to correct the unit needing assistance, before it even has the chance to impact the group’s welfare. Usually the employee welfare is not given a chance to decrease, so it is rare there is even a need for the employee welfare to get better. Anticipation is the key; the rate of response has to be quick and the tools need to exist to help the train get back on track. Everyone needs to get along, work together towards the same goals, appreciate and trust one another. Company X has low tolerance for bad behaviour, and they aim to quickly find out where does bad behaviour come from and offer tools to correct the behaviour.

Performance leading is important and to realise how the goals have been reached to continue the good work. The better everything works, and the bigger picture is communicated, the happier individuals are. The happier the individuals feel, the better their employee welfare and therefore their productivity level is. (Anonymous, 2019). More of this positive circle was described earlier in this Thesis in section 3.2. Creating positive circle with good leadership.
6.2.1 Change Process System A

The company X frequently performs a personnel study to see which departments are resulting below the limit value. The results show which departments are not performing well enough and communicate changes need to be done to get their results up. The goal is to detect and fix problems early in time, before they have a chance to inflate to bigger issues, and negatively impact employee welfare.

The stores performing under the limit value, are paid a visit with an outside facilitator, to investigate what the problems are, why do they exist and how to fix the situation. Solution tool box is gathered and plan of action is designed to solve the issues. Sometimes the problems are small, and sometimes they are bigger.

For example, if it seems the workload has been wrongly distributed, solutions like resourcing, working processes and job descriptions are carefully considered. It is rare the solution is to simply add more personnel, rather one should think how the tasks could be done wiser. It is important to consider if certain tasks are even needed, sometimes for example tons of working hours and hard work is used to write a monthly report, which no one even bothers to read. It is not a shame to leave some tasks out, if they are no longer needed or no longer fill the original purpose.

The results are measured with pulse questionnaires, including a few questions relating to the problem or problems. Sometimes the problems are fixed at once, sometimes the questionnaires show the problem still needs more solving. In this case, the development continues, and the goal is to continue development process until the results are good, and the department starts to show above the limit value results. (Anonymous, 2019).

This method is great due to its anticipation, which increases the chances of spotting problems before they become insurmountable. This proves performance or some other indicators do go down if something is not working. Crucial matter of employee welfare is the feeling of being important for the company, having high value and one’s opinions are listened and taken under consideration.
6.3 Change Leadership

There is a lot of discussion about Change Leadership and the importance of it. Change Leadership is defined as something which concerns the driving forces, visions and processes which fuel large-scale transformation. (Kotter, J., 2011). Anonymous interviewee brings to discussion, if there actually exists any other type of leading than change leadership. Maybe all leading is change leadership and the word “change” would not be needed at all. This argument is based on the fact, that in companies changes happen all the time. Not only those changes which are made on intention and are big change processes, but the continuous improvement of every day processes and way of working. No matter if it is leadership or change leadership, the same factors are important; to make sure employees are on the same map, understand where the company is at, where it is headed, what is the vision, mission and goals of the company. Guiding and listening to employees is key to everything. One of the biggest duties of a leader, is the ability to make decisions. Wrong or unmade decisions increase costs, so at some point, a decision has to be done. Prioritising is important, everything cannot be changed at the same time. Leaders need to consider which changes need to be done first, and what can wait.

All different levels of leaders have their own tasks. The middle leaders should be able to consider the choices and make plans accordingly, involving employees to the planning process to ensure commitment and employee’s desire to reach goals. Team leading is more of looking to the next week, going through what is done this week and evaluating last week.

Discussion with all team leaders is important to gain understanding of the current situation. Simple questions need to be asked frequently, such as “How are you doing?” / ”Is everything okay in your team?” / ”Do you have all the tools you need?”. The replies can reveal something which needs to be changed or improved, and they need to be added to an agenda. Some of the things can wait for a while, but if they are not on the list, they are easily forgotten. New things need to be discussed again and again, until they are brought to life. (Anonymous, 2019).
6.4 Example case

Company X has experienced hundreds of changes, big and small, during its existence. This section will describe one of the bigger changes in detail and consider the employee welfare aspect of the change process. The change in question will be described in a general level and does not reveal any information which could indicate to public what the company is and what the change was.

One yearly goal was to develop the functions further, and different methods of achieving this development goal were researched. Strategic decision was made to focus on Market Expansion strategy and increase the amount of business locations to better reach a wider customer range. Market Expansion is defined as “The process of offering a product or service to a wider section of an existing market or into a new demographic, psychographic or geographic market.” (Business Dictionary, 2019). There were two clear options, either to create new locations, or acquire an existing locations and integrate them to the Company X. An opportunity rose to acquire existing company with a good network of locations, called Company Y, and it was considered the most cost effective and the fastest way to reach the yearly goal. The deal was made and the planning of how to handle the integration process started.

The change was a top down change, which means it was initiated by the company’s top management (Bürkland, S., 2018:8 referencing Jones 2007:290). The personnel were not consulted on their opinions of the change, but it was soon noticed the larger majority thought the change was a positive improvement. The current situation in the Company Y was rapidly deteriorating, the sales were weakening, customers were unsatisfied with the products and services, and the cooperation deals were not good. The worst-case scenario, without the purchase, Company Y could have faced bankruptcy and all of the employees would have lost their jobs. Security is one of the key needs every individual has, as mentioned previously discussing the Maslow’s Hierarchy of Needs, and losing the primary source of income would have greatly decreased the Safety Needs. Hence the personnel felt the change was needed and possibly even saved their jobs.

Company X has no knowledge of any official employee welfare studies done, or results of them, prior to the change but they have learned through discussions the employees
had acknowledged the bad and continuously weakening situation. The working environment had been filled with fear over losing all of the jobs and it had decreased the satisfaction level greatly. (Anonymous, 2019).

This case was different compared to many other changes because it was seen as positive change by the employees. According to many change theories the reactions can be often quite negative due to mixed feeling about future and employee’s position after the change (Bürkland S., 2018).

6.4.1 Preparations and key factors

The Company X prepared carefully for the change, thinking about the functions as well as the employees, and their welfare. Key things were information flow, clear and open communication, influencing the possible emotions the change might bring and gaining trust of all parties involved. The plan had prepared for worse circumstances and reactions, to what actually happened. Reactions were surprisingly positive, and the Shop Stewards gave positive feedback on the execution of the change process.

A communication plan was done right away at the beginning. It was carefully thought every step of the way what happens after the purchase is publicly announced. When will the information sessions be kept, where or through which channels the information can be given, who needs to hear from the change face to face by the Top Management, who will give or send out the information, who can keep the local information sessions to team leaders or teams and what can be told at which point. Important information was for example what has happened, what will happen next and at what time, what are the consequences and when will more information be given. The whole communication plan and all of the information packages were planned and written prior the publication, and according to the communication schedule, the Top Management only had to press a button to send out more information. The communication schedule was made public for all team leaders, so they had all the facts of what they can tell their teams at which point. They were allowed to inform for example “This and that I cannot tell you at this point, but I will give more information in the beginning of next month”. It was easier for everyone to adapt to the starting process and trust the change, when they felt informed and kept in the loop.
Yearly meeting agendas were transformed to support the change happening, give out information and training regarding the change. The Area Managers participated in the meeting, which included a morning fact session and an afternoon session. In the morning the integration plan was discussed and went through, when would each area manager have changes happening in their unit, what were the steps done and how long will it take. The integration schedule was given out, and it was easy for everyone to check the timetable affecting their operations. Area Managers got to ask questions and discuss all concerns they might have had.

An outside partner hosted the afternoon session, trying to influence the emotions the change might bring to people. Their goal was to help the Managers to face the feelings of fear, anxiety and uncertainty, and to teach them how to deal with these emotions. The emotions need to be received and accepted, and then turn into possibilities instead of horror feelings. (Anonymous, 2019). The outside partner was definitely one of the key factors in the success of the change, as many times change processes try to influence the emotions indirectly for example by having open communication lines and so on, but this time the Company X wanted to face the emotions and directly face them by discussing and handling them together with the Managers.

### 6.4.2 Implementation

The plan was to give a fair chance and try to save all the units. With this large integration, it was realistic to realise it is impossible to save all of them, but all were given the same tools and a chance. A lot bigger portion of the units were able to be kept open, as originally planned. The units which simply could not reach the desired sales levels, where unfortunately shut down. The Company Y’s management had the hardest position, as Company X already has a management team and they did not need two teams. Luckily most of the personnel from these situations were placed to other units or had found another interesting job opportunity elsewhere during the process. Thus no one was left at blank, what could have happened to the employees if the Company Y would have faced bankruptcy.
All of the personnel were transferred to a new manager, and the Company Y’s top management was integrated to Company X’s management roles and teams. The Organisation structures between the two companies differ quite a bit. Company X is a Matrix Organisation, whereas Company Y has a Linear Organisation structure. Linear Organisation structure means "Each superior has clearly assigned subordinates and each subordinate has clearly assigned superior" (Management Mania, 2016). Naturally the new structure did not suit everyone, as previously they had one clear supervisor, and with the new structure they could have had a few. Arranging the time and tasks was more on the individual’s responsibility, and some simply did not enjoy working this way and felt the cultural fit was wrong.

Managers sat down with all new employees and discussed their future. They were listened and asked what their wishes for their future were and what kind of tasks they would like to have. All wishes were considered and executed as far as possible. In the end with all of the teams, a clear picture was formed of what the organisation will look like, what tasks it will include and what functions it has. It was a goal to choose the most suitable employees to each task and role. This of course meant Company X’s employees were not safe either and they realised the changes concern them as well. Everything possible was done to make sure everyone would have a job, or they were helped to find a suitable job. (Anonymous, 2019).

6.4.3 Stepping stones

The integration project was massive, the Company X had to combine the best working functions, systems, products and services from both companies, while keeping everyday operations working as normal as possible. Many factors could have made this kind of project go off rail, but careful and detailed plan helped to avoid all major failures.

There were only a few dedicated project employees working on the change and the rest worked on the change process in addition to their other tasks. This could have become a stepping stone, but luckily the project group was great, the employees saw it more as a positive challenge instead of negative extra workload and responsibility. They experienced the project as a unique and interesting challenge, which taught them a lot and was a great to be part of.
Employee satisfaction was taken under consideration, to avoid failure on that perspective. The Company X considered who were the key people in the change. The goal was to involve them, inform and engage these individuals as a goal for others to follow their lead and listen to how they spoke about the change. Once they kept a positive attitude and saw the change process in positive light, the others could look up to them and not consider so much of the negative emotions. It could have been a stepping stone if these key people would have seen the change as a bad thing, quit their jobs and moved elsewhere. This would have no doubt given the undesired message to the rest of the employees.

The volume was so high, of course there were a few units who were not so keen about the change. For example, the management style after the integration might have differed a lot of what the employees had been used to. This caused a few conflicts and some quit due to the changed management style. It was a goal for the Company X to react quickly to these situations and to offer assistance for the managers. The Company provided managerial training and advise on the radical change the employees had went through and reminded the situation has been quite different prior to the change. Usually this helped and was a revealing experience for the managers, and the situation got better.

The example case had many “Could have been a stepping stone” -factors, but they were avoided by considering all possible outcomes and reactions beforehand and preparing for all possible situations.

6.4.4 The outcome

Looking at the big picture, the change process succeeded extremely well. The integration was done in as quick phase as possible, everyone and all units were given a fair chance. The interviewee reminds although the situation was a purchase, one should never be arrogant of the power they have acquired, rather one should always remember to listen and respect all parties. It is important to acknowledge the purchased company has done certain functions well and one can learn from them as well.
7 Questionnaire

Quantitative research was conducted by creating a questionnaire to get larger pool of opinions regarding change and employee welfare. It was conducted in Finnish, to reach wider local audience. Sample size was quite small, 124 respondents, due to time limitations. The questionnaire was spread through social media and personal network, as a goal to reach as wide variety of respondents as possible.

Questionnaire included questions regarding the change which had happened, the employee welfare state at each point of the change, emotions the participants had felt and how they saw the work environment at each point of the change. The questionnaire instructions asked all participants to reply only if they had faces changes, and it included a check question to make sure all participants had experienced changes to avoid bias. The translated questionnaire can be found in Appendix 2.

7.1 Background information

Basic background information was gathered to see what sort of audience had replied to the questionnaire, and to point out possible bias.

7.1.1 Gender

**Gender?**

124 respondents

![Figure 3. Gender.](image)
Out of 124 respondents, the vast majority of 104 respondents were female. Based on the replies, it could be claimed women are more likely to spend the time to participate in online questionnaires than men. Gender might affect one’s views of change and emotions changes might bring, which is why there is a gender related research bias.

7.1.2 Age

**Age?**

124 respondents

![Figure 4. Age.](image)

The vast majority of the respondents were young, below 34 years. 45 respondents were 15-24-year old, 52 respondents were 25-34-year old, 13 respondents were 35-44-year old, 8 respondents plus 55-year old and only 6 respondents were 45-54-year old.

Different generations view different matters differently, and majority being younger respondents has affected the research. Elder people could have had more experiences and different points of view on organisational changes, but it could be said they are more unlikely to reply online questionnaires due to their generation.
7.1.3 Education

Education?

124 respondents

[Diagram showing education levels]

*Figure 5. Education.*

Question of participants’ education level was asked to form a picture of the respondents background. The majority of respondents, 38.7%, had a Bachelor’s Degree and 27.4% had graduated from Vocational School. Next biggest groups were 18.5% High School graduates and 10.5% with a Master’s Degree. Only a few respondents had some other education, 4 had only a Primary School background, 1 had graduated with High School and Vocational School double degree and 1 participant had replied with “Other”, telling they had a degree which does not exist in Finland anymore, but is similar to the High School and Vocational School double degree. The education background question shows all different educational backgrounds probably will experience organisational changes at least in some point of their working life.

7.1.4 Company background

Although the field of business or the change itself were not the main focus points of the questionnaire, a bit of background information regarding the change was asked, to be able to analyse if change often happens in a certain type of company, and what the changes usually are.

Participants replied they had experienced changes in the field of Healthcare industry, Logistics, HR services, Education, Restaurant industry, Trade business, Finance industry, Safety industry, Communications, State sector, Media industry, Fashion retail, Hotel industry, Industrial business, Real estate, Sales, Travelling industry, Entertainment
business, Car industry, Insurance business, Maintenance, IT services, Sports, Environmental sector and many more. The comprehensive list shows although the sample size was only 124 participants, all of the 124 could have had a different field of business where they had experienced change. There was no profession which would have been highlighted more than others. One participant told they did not want to identify the field of business.

What was the size of the company?

124 respondents

![Size of the company](image)

Figure 6. Size of the company.

Respondents were asked to reply based on one specific organisational change they had gone through, and they were asked to tell the size of the company. Over half of the companies were large, 41,1% with over 1 000 employees and 10,5% with 500-999 employees. Small companies below 15 employees had had the least changes, with only 7,3%. 17,7% of companies with 15-99 employees and 23,4% of companies with 100-499 employees were pretty close to each other. This shows all company sizes do experience changes.

The change itself was not important in the survey in the sense the questionnaire aimed to focus more on the employee welfare. For background information, it was asked what the change in question was and range of replies was wide. Changes had been for example personnel reorganisation, system reorganisation, team reorganisation or reorganisation in general, managerial level or superior changes, fusion of two companies or two brands, change of location, IT system change or bringing a totally new IT system to use, new communication systems, changing the way of working, structural changes,
job description changes, the company was sold and personnel along with it, changes made due to law changes or employee cooperation negotiations, where a certain amount of employee contracts are terminated or. The same way as in the fields of business and business sizes, the changes vary a lot as well.

The question had a couple example changes “... It can be for example introducing new IT systems, personnel reorganisation or superior changes.”. This shows in the respondents replies, as many of the changes are listed to be one, or all, of these example changes mentioned. This could create a bias for the questionnaire, if the respondents have felt unconsciously, they have been leaded to reply in certain way.

7.2 Emotions when hearing about the change

What emotions did you feel when the change was informed about? You may choose more than one.

<table>
<thead>
<tr>
<th>Emotion</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excitement</td>
<td>25 (20,2%)</td>
</tr>
<tr>
<td>Fear</td>
<td>43 (34,7%)</td>
</tr>
<tr>
<td>Tension</td>
<td>37 (29,8%)</td>
</tr>
<tr>
<td>Hope</td>
<td>61 (49,2%)</td>
</tr>
<tr>
<td>Confusion</td>
<td>72 (58,1%)</td>
</tr>
</tbody>
</table>

Table 1. Emotions change creates.

Most respondents had felt various feelings when they heard about the upcoming change. 58,1% felt confusion, 49,2% felt tension, 24,7% felt fear, 29,8% got hopeful and 20,2% were excited of the change. 18,4% felt also other feelings, such as happiness, uncertainty, discomfort, disappointment, irritation, anger, stress, grief, tiredness, frustration, being betrayed, unbelief and anxiety. One told they were expecting the change with interest. Most of the other feelings were quite negative, which might either mean change is generally not received well, or the changes the participants had experienced had not been communicated well. Over half feeling confusion could indicate the change was a surprise for them and they had not seen the change coming. Confusion could indicate the readiness level for change was not high enough, and the change was not received well. This probably has increased the resistance for the change.
7.3 Emotions and atmosphere prior the change

Did you experience dissatisfaction at work prior to the change?

124 respondents

![Pie chart showing responses to dissatisfaction question](image)

*Figure 7. Experiencing dissatisfaction prior the change.*

A bit over half of respondents told they had felt dissatisfaction prior the change, 22,6% telling yes and 30,6% telling to some extent. Close to half, 46,8% had not felt dissatisfaction at work prior the change.

Prior the change happened / it was informed about, did you feel a change might be needed?

124 respondents

![Pie chart showing responses to need for change question](image)

*Figure 8. Feeling of the need for change prior the change.*

Over half of the respondents told they either felt a change would be needed, or at least it would maybe be needed or would be needed to some extent. 38,7% of respondents
did not feel a change would have been needed. This correlates to the surprised or confused emotions respondents had felt when the change was informed about.

29 respondents replied “Yes” and another 29 respondents replied “To some extent”. Those who had replied either of these, were next asked to tell what kind of change they would have wished for and why. 44 respondents replied to this question telling they would have wished for improving functions or efficiency, having more employees, different type of leader, changing the leader, having more younger minded leader, changing the personnel, reorganisation but maintaining the existing team structure, better structure for tracking results, new equipment to replace the old outdated or not functioning ones, decreasing paperwork, having more clear communication and schedules, better trainings or induction, common rules, reorganising teams to better suited units under capable superiors, sharing responsibilities to more than one person, get the employees to commit to company goals, getting rid of not useful tasks, more variation to work tasks and listening to personnel and having open discussion at work. Wished changes depend greatly on the state of the company, what has not been working and individual views on the situation, thus the hoped changes vary as much as there are different situations and opinions.

Based on the respondents replies it is positive to see how few of them feel changing bad or unqualified leader or team member is the best option, as discussed with the Anonymous interviewee (2019), simply firing or replacing someone is rarely the best option. The unqualified leaders should at first at least be given the chance by offering them training and support on how to manage the team better and to be more effective. It is important to place the right people in the right roles, so of course sometimes reorganisation can be the best option. But if a “bad” leader is just moved to lead another team without training them, the next team will most likely be in the same trouble sooner or later.
How was the overall working environment prior the change?

The hypothesis was the working environment would be negatively impacted prior the change if some functions were not working properly. The questionnaire results show most of the respondents feel the overall working environment was good, 54 replied it being good and 26 respondents replied it was extremely good. 31 respondents felt it was neither good or bad, and only 10 replied the environment was bad and 3 replied it was extremely bad. This would indicate functions in most of the cases were working well and change was not expected, which correlates to the confused and surprised feelings respondents had when they heard about the change.

In your opinion, did it seem that your colleagues employee welfare had decreased prior to the change?

Figure 9. Colleagues employee welfare.
It could be assumed co-workers can detect if their colleague’s employee welfare has decreased, especially in companies where teams work closely together. 51.6% of respondents did not think their colleague’s employee welfare had decreased, but the rest 48.4% thought it had decreased or it had decreased to some extent. The both of these questions about overall working environment and level of colleagues’ employee welfare correlates to the majority being satisfied in their work prior the change. Maybe their colleague’s welfare had not decreased either, or they had not detected the decrease when they themselves felt satisfied.

As previously analysed in this report, sometimes it is hard to assure to happy employees the change is needed, the functions can work better and working can be more effective, when the employees feel everything is fine as it is. It is good the employee welfare level was majorly on a good level prior the change, but it might generate the resistance Dijk & Dick, (2009: 143-144) were talking about. Although employees feel the change might not be necessary, the managerial level could feel it is, and in this case, it is crucial for the managers to be able to communicate the change in a positive light and convince the outcome will be great.

7.4 Employee welfare curve

Prior the change, on what level your employee welfare was?

![Employee Welfare Curve](image)

*Table 3. Employee welfare curve prior the change.*
Most of the respondents felt their employee welfare was on good level, 45.2% saying they were satisfied, 31.5% telling they were neither satisfied or dissatisfied and 12.9% telling they were extremely satisfied. Only 2 respondents said they were extremely dissatisfied and 11 said they were dissatisfied. The average value of employee welfare prior to the change was 3.59, a bit below “Satisfied”. This correlates to the surprised and confused feelings many respondents told they had when they heard about the changes as they felt they were satisfied and maybe did not feel change was needed. Earlier in section 4.2. “Issues with organisational change”, it was analysed it is important for the management to properly convince and communicate to employees why the change is needed, although the personnel might feel everything is ok as it is.

31.5% told they were in the middle, neither satisfied or dissatisfied, and only 13 respondents told they were either dissatisfied or extremely dissatisfied. Still all 124 respondents replied to question number 12 “If your employee welfare was not good, what kind of symptoms did it cause?”. The question was not compulsory to reply. Most common symptoms described were fatigue, tiredness, irritation, lack of motivation, decreased efficiency and increased sick-days. Some even reported they had experienced physical pain symptoms, panic disorder and even severe burnout.

**During the change, on what level your employee welfare was?**

124 respondents

![Bar chart showing employee welfare levels](image)

*Table 4. Employee welfare level during the change.*

Comparing the levels prior the change and during the change, it can be clearly seen the employee welfare level has decreased. Most of the respondents, 47 people, felt they were neither satisfied nor dissatisfied. The amount of satisfied and dissatisfied
respondents was about the same, 33 respondents saying they were dissatisfied and 30 respondents telling they were satisfied. Only 3 of the respondents were extremely satisfied, as prior the change the number had been 16 respondents. 11 respondents told they were extremely dissatisfied, as prior the change the number had been only 2 respondents. The average value of employee welfare during the change was 2,85, closer to the dissatisfied than the satisfied. This shows the employee welfare was negatively affected by the change.

Unfortunately, often changes bring negative emotions and they cause the employee welfare to decrease during the change process (Bürkland, S. 2018). This should be improved by offering more and better information about the change, to let employees know why the change is made, what the change will improve, how and on what schedule it is implemented, and also try to influence the negative feeling before they have the chance to take over (Anonymous, 2019).

**After the change if / when the results were starting to show, on what level was your employee welfare?**

124 respondents

![Chart showing employee welfare levels after the change](chart.png)

*Table 5. Employee welfare level after the change.*

After the change was done and the results started to show, again most respondents, 40 people, were neither satisfied nor dissatisfied. 35 were satisfied and 7 were extremely satisfied so some improvement in the employee welfare can be seen. Surprising number of 24 respondents being dissatisfied and 18 respondents being extremely dissatisfied show the change was not successful in their eyes, at least when it comes to their employee welfare. The average value of employee welfare after the change was 2,91,
which is still closer to dissatisfied than neutral emotion of satisfaction. This can mean
many things, either the change was done badly, was not properly communicated about
or was simply unsuccessful. The employees might have had a strong feeling the change
was not even needed in the first place, and therefore were not on board with the change,
thus the change failed, or the employees did not want to see the change being a
successful improvement.

![Employee Welfare Curve](image)

**Table 6. Employee welfare curve hypothesis and reality.**

Expected employee welfare curve was to have a decreased level of employee welfare
prior the change, have the curve decrease even more during the change due to common
negative feelings change causes according to theories, but then to increase greatly after
the change has been done and the positive results are starting to be visible.

It is surprising to see the change has not improved the employee welfare as much as
the hypothesis expected. Usually changes and improvements need to happen from time
to time to keep functions working and updated, have the right people in the right roles
and to keep improving the company results. Better working systems should result in
increase in employee welfare. The curves are similar, and the direction is the same in
both the hypothesis and in reality, but the volume is not as high as expected.
It would be great to improve the process of change to the extent; it would be possible to maintain a good level of employee welfare even during the change. The tools are known to make this happen, but for some reason they are not used at all, or they are used unsuccessfully. Maybe if employee welfare would be on good level during change, it would result in faster rise of the curve after the change is completed. Change is most of the times done in order to better the company results, but in today’s world where employer image and employee welfare are really important, it definitely should increase the employee welfare, not decrease it.

7.5 Further information

How did the change affect your employee welfare?

Table 7. Change affecting employee welfare.

38,7% felt the change had not affected their employee welfare neither positively or negatively. 37,9% of respondents told the change had affected their employee welfare negatively or extremely negatively. Only 23,4% felt the change had affected them positively or extremely positively. This correlates to the employee welfare curve drawn previously.
How well was the change informed about?

124 respondents

<table>
<thead>
<tr>
<th>Rating</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Very poorly)</td>
<td>12 (9.7%)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>27 (21.8%)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>33 (26.6%)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>39 (31.5%)</td>
<td></td>
</tr>
<tr>
<td>5 (Very comprehensively)</td>
<td>13 (10.5%)</td>
<td></td>
</tr>
</tbody>
</table>

Table 8. Informing about the change.

The questionnaire results offer all opinions on how the respondents had felt about how well the change was informed about. Most, 39 respondents felt they were informed comprehensively about the change, 33 felt they were neither informed comprehensively or poorly, 27 feel they were informed poorly, 12 felt they were informed extremely poorly, and 13 respondents told they were informed very comprehensively. All change theories Bürkland, S. (2018) presented as well as the Anonymous Interviewee (2019) bring out the importance of communication in a change process. Communication and proper information is the most important key factor in a successful change process. Lack of proper and clear communication can cause any change to fail, and the importance of it should not be underestimated. Anonymous Interviewee (2019) described in the Example case they had prepared a detailed and ready communication plan, even before the change had been announced of. This is a great example of how all companies should work, to assure the hoped outcome of the change.
7.6 Reasons for change

**Was the change done due to decreased employee welfare?**

124 respondents

![Pie chart showing reasons for change](image)

*Figure 10. Employee welfare being a reason for change.*

The vast majority of respondents, 81,5% told the change was not done due to decreased employee welfare. This correlates to the fact most of the respondents had felt their employee welfare was on good level, and the change might have not been needed. If the employee welfare is on good level, the company’s motivation to develop for even greater level is probably slight. 8,1% of respondents told they did not know if the change was done to improve employee welfare, 7,3% responded maybe and 3,2% knew it had been done to increase employee welfare.

The hypothesis was changes are rarely done as the main purpose to increase employee welfare, and that turned out to be true. As the Anonymous interviewee (2019) told in the Company X basically all changes are done in order to increase their revenue. This is the case in most of other companies as well. In Company X all conflicts are tried to be solved fast and continuous improvement is done, so it is rare there is a situation where employee welfare has had the chance to decrease. This could indicate if companies would track the level of employee welfare, and react fast if a decrease is detected, they could avoid the situation from worsening and major changes to be done. It has been proved happy employees are more productive and effective. Maybe tracking employee welfare could be the future’s way of having more effective operations, as it could help to detect possible issues early at the point when a slight adjustment would be needed rather than total reorganisation.
7.7 Outcome of the change

Do you consider the change was successful?

124 respondents

Unfortunately, 46% of respondents felt the change was not successful, 34% felt the change was successful to some extent and only 19.4% felt the change was successful. This could be a sign of poor communication of the change or simply a bad outcome of the change. It is a bit hard to believe all of the 46% of the changes would have been done badly or would have been unsuccessful, it probably relates more on how the respondents saw the outcome of the change. Not informing personnel properly of why the change was needed and had to be done, and the lack of convincing the personnel to get on board with the change, can create the resistance for the change Dijk & Dick (2009: 143-144) were talking about and referenced a couple times earlier in this report. The means of how to handle the change and implement it, has a great impact on how the employees affected view the change.

7.8 Research bias

The questionnaire was directed to only those individuals, who have experienced organisational changes, as the goal was to map wider opinions and views on changes, rather than to see how many have experienced change and how many not. A check
A question was created to eliminate any respondents who might have not experienced changes and would have still replied, by giving false replies.

**Have you ever worked in a company, where has happened Organisational Changes?**

124 respondents

![Figure 12. Check question.](image)

Check question revealed one respondent who had replied "No" when asked if they had ever worked in a company where organisational changes had happened. Their reply was deleted, so the questionnaire would not be affected with bias.

## 8 Findings and Considerations

The Thesis aimed to answer the question - How does organisational change affect employee welfare and is employee welfare sometimes the reason for implementing change. The answer is not simple, as it is shown through theory and research, some experience change effects radically and some feel more neutral towards the change. All kind of emotions come to existence, they can be mixed emotions and even change during the process. Changes are common in all kind of fields of business and the changes can be anything from big reorganising to small adjustments. Unfortunately, research shows employee welfare is very rarely a direct reason for implementing change, and at the same time, maybe sometimes it should be so the issues could be tackled on time.

From the employee welfare perspective, successful organisational change should have a clear strategy, plan of action and good tools at use. Plan of action should include a
detailed communication plan, which aims to share clear and open message of the change strategy, goals, schedule, how everyone will be affected and what the results aim to be. Information packages and speeches should be prepared beforehand, so when the change starts, it is easy to share proper information at the right time. Key people should be informed face to face, and more in detail prepared for the change. It is useful to consider all possible setbacks, outcomes and reactions the change might bring and to be prepared for everything.

Convincing and encouraging employees that change is a positive thing is the key, the employees need to be on board with the change. Employees should be heard prior the change, to gain knowledge what their readiness level for the change is, how do they feel about the current situation and what they think should be improved. They should be heard on what tasks they would like to perform and how do they see their future. It is important to listen to the employees and really consider their views on all matters. The key people should be put to right positions for the change and carefully train and prepare these key people, so all employees have a role model to look up to and whose opinions to listen.

The scale of feelings is wide, and no emotion should be belittled as everyone has the right to have all kinds of emotions. The emotions should still be influenced, they should be directly discussed, and the employees should be taught to receive the emotions and turn them to strength and possibilities.

All this should increase the trust employees feel towards their employer and convince them the company has justified reasons behind the change and the successful outcome of the change will benefit everyone. Once the change process is carefully planned considering the employee welfare aspect as well, it will decrease the possibility of resistance and negative emotions and help the change to come out successful.

Although employee welfare seems not to be a reason for change at the moment, hopefully this report has proven it should be. If employee welfare would be more closely tracked, changes could be detected quicker and the situations could be solved sooner rather than later. This way the problems would not have the possibility to swell, and huge change processes would become minor adjustments.
References


Interview questions

Anonymous, Head of HR
Company X
2019

Interview was arranged with a large Finnish company’s Head of HR.

The purpose of the interview was to support a Bachelor’s Thesis regarding employee welfare related to organisational changes. Goal was to discuss the change process, employee welfare, and HR perspective and views on the subject. Employee welfare may be on very different levels prior, during and after the change. Could increasing employee welfare be the reason for change sometimes?

The company will be left anonymous due to confidential reasons.

Replies are not presented but are discussed in the Thesis.

General questions

1. What reasons can be behind organisational changes?
2. What roles Human Resources usually has with change processes?
3. How do you see the importance of HR during change processes?
4. Does employee welfare usually improve due to changes?
5. Has Company X used outside consultants on some changes? What pros and cons do you see in the use of these consultants?

Example change process

1. Is it possible to choose one specific change, which to discuss further?
2. What was the change? Was the change discussed with personnel prior to the change, seeking for their opinions and improvement suggestions?
3. What initiated the desire or need for change?
4. What goals did the change process have?
5. Was the change Bottom up or Top down?
6. Were any organisational theories considered for the change process?
7. Were the employees satisfied or dissatisfied prior the change? How did it show? Did someone give feedback?
8. How was the change process implemented? Was it a goal to change both individual and group behaviour?
9. How did the change process go? How long did it take?
10. How much value do you put on clear and open communication regarding the change process?
11. How the employees reacted to the change?
12. What kind of stepping stones the change had, or could have had?
13. Was it ever a fear that the change may not succeed if the employees were not happy during the change?
14. How did the change succeed? When the effects of the change were seen or measurable?
15. What kind of HR roles this change include
Questionnaire

Questionnaire: Employee welfare during Organisational changes

Questionnaire relating to a Bachelor’s Thesis regarding employee welfare during organisational changes. The change itself is not so significant in this questionnaire, but rather how the employee welfare has changed before the change, during the change and after the change. Organisational changes mean any changes taking place at work, for example systems, ways of working or manager level changes.

The questionnaire is completely anonymous, and the basic information about the respondent and company is asked only for statistical analysis. The questionnaire responses will only be used for the Bachelor’s Thesis.

NOTE! Please reply the questionnaire only if you have experienced changes at your workplace at some point.

* Mandatory

(Please note that the questionnaire was conducted in Finnish to reach wider audience.)

BASIC INFORMATION
Used for statistical analysis.

Age *
- 15-24
- 25-34
- 35-44
- 45-54
- 55+

Gender *
- Male
- Female
- Other
- I’d rather not tell

Education *
- Primary school
- High School
- Vocational school
- Bachelor’s Degree
- Master’s degree (or higher)

The field of business you worked during change? *
The company
Basic information of the company you worked at during the change.

Have you ever worked in a company, where organisational changes have happened? *
   Yes
   No

What was the size of the company? *
   Under 15 people
   15-99 people
   100-499 people
   500-999 people
   Over 1000 people

What kind of change happened? It could be for example starting to use new technology, personnel re-organisation or manager level changes. If you wish, you can describe the change further. *

EMPLOYEE WELFARE PRIOR THE CHANGE

Before the change happened / it was informed about, did you ever feel like there would be a need for change? *
   Yes
   To some extent
   Maybe
   No

If you replied yes or to some extent, what kind of change would you have wished for and why?

Did you experience dissatisfaction at work prior the change? *
   Yes
   No
   To some extent

Prior the change, on what level your employee welfare was? *
   1 Extremely dissatisfied
   2
   3
   4
   5 Extremely satisfied

If you felt dissatisfied, what kind of symptoms did it cause? You may choose more than one.
   Fatigue
   Tiredness
Irritability
Lack of motivation
Decreased effectiveness
Increased sick days
Other, what: ______________________________________

What was the overall working atmosphere prior the change? *
  1 Extremely bad
  2
  3
  4
  5 Extremely good

In your opinion, did it seem your colleagues employee welfare had decreased prior the change? *
  Yes
  No
  To some extent

EMPLOYEE WELFARE DURING THE CHANGE

What emotions did you feel when you found out about the change? You may choose more than one. *
  Excitement
  Fear
  Tension
  Hope
  Confusion
  Happiness
  Other, what: ______________________________________

If you wish, you may explain your emotions further.

How well were you informed about the change? *
  1 Extremely badly
  2
  3
  4
  5 Extremely well

During the change, on what level your employee welfare was? *
  1 Extremely dissatisfied
  2
  3
  4
  5 Extremely satisfied

If you wish, you may explain your feelings further during the change.
EMPLOYEE WELFARE AFTER THE CHANGE

Was the change successful in your opinion? *
   Yes
   No
   To some extent

If you wish, you may tell more about the change results.

After the change or when the results were visible, on what level your employee welfare was? *
   1 Extremely dissatisfied
   2
   3
   4
   5 Extremely satisfied

How did the change affect your employee welfare? *
   1 Extremely negatively
   2
   3
   4
   5 Extremely positively

If you wish, you may tell more about the positive / negative effects.

Was the change done because of decreased employee welfare? *
   Yes
   No
   Maybe
   I don’t know

If you wish, you may tell more about the change and your employee welfare related to that.

If you wish, you may leave feedback about the questionnaire.

Your reply has been saved. Thank you for participating!