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Exploring resistance to change in a Chinese construction

company

Case study: Nanchang City Road & Bridge Construction Co. Ltd.

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ABSTRACT

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This Thesis researches the transformation of organizational structure in a Chinese case company. The rationale behind this transformation can be largely based on increasing international competition, national competition and existing operational environment. Moreover, one of the underlying reasons for the tendency of transferring from the current function-based organizational structure to the project-based organizational structure is the need to improve the performance and to develop new management tools. Managers will then be able to better coordinate and organize the implementation of construction project consulting.

Therefore, the objective of this Thesis is to clarify the need of organizational structure change as well as the process within which this change is taking place at the starting stage of implementation. The management of the consequences and challenges presented in the transformation is therefore a central topic in this Thesis in order to consult the case company on possible resistance to change ahead. In addition to the data from the interviews and questionnaires, the researcher's personal life experience of 10 years as the daughter of the President and Finance Manager of the case company, provides a reliable basis for discussion.

The main findings of this study suggest that the transformation of the project-based organizational structure bears significance from the point of view of the staff members, where integrating corporate communications and training play a key role.

Key words: organizational structure, transformation, management tools, communication

CONTENTS

ABSTRACT

1 INTRODUCTION

In this chapter, the background, research objectives, research questions and methodology of my work will be presented. These all will be followed by the illustration of the structure of this work.

1.1 Motivation and background

In order to maintain steady and rapid growth in the competitive market, companies need to learn to adapt to changes in the market by transforming or developing their organizational competency. However, contemporary research points out that resistance to planned organizational change has long been an issue or concern for organization development practitioners and management scientists (King & Anderson 2002, Caluwé & Vermaak 2003). This means the planned organizational change such as transformation or development are not easy to implement, unless identifying the resistance to change and managing the change (Hughes 2006; Cameron & Green 2007). In addition, the management of organizational change in itself is complicated business function. The function requires the management of the people-side of organizational change (King & Anderson 2002; Herold & Fedor 2008). Furthermore, the managers need to realize the organizational change effectively within the social infrastructure of the workplace (Creasey 2010). Therefore, using the management of the organizational change achieves the goal of improve the organizational competency and performance effectively (Hughes 2006; Cameron & Green 2007).

The topic of my thesis is the management of organizational structure change, within a Chinese construction case company, Nanchang City Road & Bridge Construction Co. Ltd. Construction industry companies steadily increase by around 12% annually (Chen 2006). Consequently, improving construction industry companies' competency and

performance is necessary to be investigated. Besides, the case company is one of the important Chinese construction industry companies. If the company faces the business problems, then change strategy in order to adjust and improve the management of the work processes in the company (Hughes 2006; Caluwé & Vermaak 2003). The business problems are such as the company grows slowly and have many existing intramural problems or be unable to adapt to the business environment (Hughes 2006; Caluwé & Vermaak 2003).

China joined the World Trade Organization (WTO) in 2001, and the entrance opened up China's market of 1.3 billion people (World Trade Organization 2001). For construction companies, this big event made the arena of international competition wider. But the opening up of the market also brought competition impetuosity inside of Chinese market (Qinglian 2001). Accordingly, construction companies faced the problem of being unable to adapt to the business environment. Because of the overall strength of the Chinese enterprises, they are not strong enough in international competition. The weak competitive forces made the imperative need of change the organizational strategy or so-called innovation (Qinglian 2001; Lixin & Feng & Shaoxian 2002; Grams & Epstein 2010). The case company is not an exception of the perceived inability to adapt to changes in the business environment and to compete internationally. The external business environment and internal operation problem (growth slowly) made the case company to find an adaptive organizational structure. In other words, the adaptive organizational structure will be used as a powerful strategy for having a market place in international competition for the case company.

Structure is a powerful tool for meeting strategic goals. Beside, a strategy's success often is determined by its fit with organization structure (Daft 2007, 307-308). Furthermore, the relationship between structure and strategy has been examined by Chandler in 1962. He identified a company's existing strategy as the primary antecedent for the reorganizations (Chandler 1962 cited by Utikal 2002). In sum, reorganization often is necessary to reflect a new strategy, changing market conditions, or innovative technology by the change of the organizational structure. However,

whether the case company can or cannot reorganization effectively is an issue. Therefore, learning to use the management of the structure change is absolutely necessary for the case company.

The objective of my thesis is to help the case company in managing the change of the organizational structure. The objective is pursued by analysing how the crucial factors influence the success in transforming the case company from a function-based organization into a project-based organization. Besides, the reason why the case company should become the project-based organization will be identified in Chapter 3.1.2. Therefore, it is valuable and profitable to transfer the organizational structure within the analysis of advantage and disadvantage of both two types of organization structure in the case company. This change will not only affect the entire organizational structure of the case company. It will also be necessary to develop new management tools and technology. Managers will then be able to coordinate and organize the implementation of construction project consulting.

What my study is not about is finding out how job satisfaction affects carrying out the organizational structure (Campbell & Fowles & Weber 2004; cited in Marquis & Huston 2009, 267). Rather, my work will discuss how the organizational structure change influences the staff's perception of the case company, and the management of the people's perception and acceptation to change.

1.2 Research objectives and research questions

The objective of my thesis is to explore the challenges resulting from the changes of the transformation of the organizational structure in the Chinese construction company. Specifically, in the first place this research seeks to identify the advantages of reorganization. In the second place, the objective is to discover the role of individual leadership, employees' behaviour and specific Chinese organizational culture reflected on the structure change. In the third place, the objective is to investigate the

impediments of change the organizational structure.

Implementing changes of organizational structures is not easy. The reasons for these difficulties to implement the change are necessary to study. For instance, the leadership roles and management functions associated with the project-based structure. A special attention be paid to the effect these changes have in the case company at the starting stage of the change process. The starting stage of the change process is the preparations at the beginning of implanting the structure. For example, how the President of the case company managing the combination of the bureaucratic managers and the autonomous professionals. In sum, this Thesis will help the President of the case company to identify the factors to success in reorganization. The reorganization of the case company is not only redesigning its functional organization, but also creating a new energy for operation and competition. Besides, from the viewpoint of management of change, the case company is a particularly interesting research objective due to the weakness of the international competition. On the basis of the thinking "Why the change of the organizational structure is complicated", the research questions for my study are as follows:

1. How will the organizational structure change affect the performance of the case company?

The most successful companies are the top managers recognize the need of management in developing the abilities, behavior, and performance of staff in the new environmental and competitive demands (Bartlett & Ghoshal & Bartlett 1992, 454). Consequently, to be a successful company it requires the President of the case company to improve the competitive forces by developing their performance. Therefore, how the structure change will help to improve organizational members' performance is studied. For instance, the reorganization or the organizational structure change will influence the staff's perspective of the company. In a sense, changing the organizational structure affects the performance of the case company. The organizational change is any event within or outside an organization that requires its

employees to change their abilities, behavior, performance, and the perception of the company.

2. How will the organizational structure change influence the cultural aspect of family interests in the case company?

The concept of organizational culture has been the focus of attention, which includes psychology, attitudes, experiences, beliefs and values of the organization members (Saffold 1988, 546-558). The organizational culture is believed to have the contributions toward increasing corporate performance, improving productivity, aggrandizing employees' morale and quality of work life, and expanding return on investment substantially (Peters & Waterman 1992; Ouchi 1981; Barney 1986; Dennison 1984; cited in Chin 1994)). The organizational structure change will break down the concept of current organizational culture as the main purpose is to serve the family interest case company (see chapter 3.2). The influences in organizational culture aspect due to the project-based organization requires the change of psychology, abilities, experiences, beliefs and values of the organization members (Chin 1994).

3. Why a different management style is necessary to lead the case company through the change process?

Many researchers argue that the most effective firms coping with turbulent environments utilize an organic structure, while adopting a more placid, mechanistic structure in stable environments (Burns & Stalker1961; Lawrence & Lorsch 1967; Thompson 1967; Woodward 1965; cited in Chin 1994). For that reason, the attitude and leadership skill of the President is studied. The learning of the leadership skill of the President is based on the influences in organizational culture aspect. The organizational structure change not only breaks down the family interest. It also requires the process of current management style towards the new one. To be clear, the new structure request the top manager admeasure the project work into the capable team of members instead of serving family interest, and balance the authority with the

empowered teams (Burke 2008,11; Saffold 1988).

1.3 Methodology of the work

My research was conducted as a single case study focusing on the interests of the Chinese construction case company. My work used both descriptive and explanatory case study approaches. Both theoretical study of literatures and case study methods are applied in my work. In addition, the used methodology was both qualitative and quantitative to achieve objectives of the case study. The theoretical study of literatures research was been invested in the text as described in the literature review chapter 2.

In order to analyze the employees' attitude of the current operation environment and the personnel preference in their working style, the quantitative method was used in my self-administered questionnaire (Appendix 3). The demographic variables in my work are age, and gender. Questionnaires were sent to 50 employees in the case company. They were been collected in order to measure the employees' thinking or acting in new organizational structure.

For exploring the knowledge about the project-based structure in the case company, the semi-structured interviews were carried out (Appendix 1 and 2). One interview was conducted with the President, and a panel interview was carried out with three functional managers. The questions for both interviews were similar in order to be able to compare them and to draw analogy between interests to reorganization. Furthermore, two interviews from both sides were being able to compare the visions of the company on potential problems for carrying on new structure. The analysis of literature was used as another research technique in order to improve the validity of the research. Besides, the documents were collected from both primary and secondary sources. Secondary sources were used included such as online articles, reports, books and relevant literature.

In sum, for carrying out my research, the following research techniques are used:

analysis of documents, case study, theoretical knowledge, questionnaire, books and interviews. A more detailed discussion of the chosen research method and techniques is provided in chapter four.

1.4 Structure of the work

This work begins with Chapter two provides a compact review of the relevant literature and framework, with a description of its relevance to answering the research questions of this work in. Chapter three consisting of the empirical part explores the reorganization of the structure chart by giving an insight on the outline of the case company. In chapter 4 the specific Chinese organizational culture and the more detail for methods used will descried. Therefore, Chapter 5 can provide an understanding of preliminary impacts and challenges for the case company in structural change. Besides, the keys and processes for making change happen will be discussed in Chapter 6. Finally the conclusions of this work are drawn from the empirical findings and the theoretical research, including suggestion for the case company.

2 LITERATURE REVIEW

In this chapter the earlier studies and conceptual framework will be presented. The following literature review will focus on three different areas – organizational structure perspective, change perspective and theoretical thinking in organizational change. The organizational structure perspective is used as a basic concept in this work. It is relevant to the research objective and research questions because identifying the organizational structure change will influence the performance of the case company. Besides, the selected concept of change perspective and theoretical thinking in organizational change are used as the foundation of data collections and the analysis process. They allow focusing on certain factors in members' behavior which influence the structural change. The factors are explored for implementing the project-based organization in the case company. In this work only the early stage of implementing the organizational structure is described, as the case company have not established the project-based organization yet.

The concept of theoretical thinking in organizational change explains the staff members' behaviour in resistance to change. Understanding this process is useful when implementing the project-based organizational structure in practice. It helps the President of the case company to assess what takes place in the transformation of the structure, what its effects are and how the members should conduct themselves and develop the skills for project-based organization.

2.1 Organizational structure perspective

Organization structure is the framework in which the organization defines how tasks are divided, resources are deployed, and departments are coordinated (Child 1984; Draft 2008, 308). Hence, strategy defines what to do and how to do. However,

organizational structure is the tool to deploy the available resources in a specific way to get things done. To visualize the organizational structure of a company very often an organizational chart is used. Today, in companies or organizations one of the fundamental characteristics is departmentalization. The function-based or project-based are the approach to define departmental groupings and reporting relationships along the hierarchy. (Draft 2008, 308.)

The fundamental principle is the work can be performed more efficiently if employees are allowed to specialize within vertical structure (Smith 1937; cited in Draft 2008, 309). Each department has the tasks relevant to their specialization. However, too much specialization can induce the problem of losing interest and passion in a single, boring job for employees. Moreover, the chain of command denotes the authority of all individuals in the organization and specifies who reports to whom (Draft 2008, 309). Therefore, the managers may become tyrants when they have authority exceeding responsibility because they can use authority toward frivolous outcomes (Stewart 1989, 66; cited in Draft 2008, 309).

To summarize the above discussion, there would be different staff's perspective of the company involved. Firstly, choose the members' contribution of their abilities either in specialization or comprehensive work affect employees' efficiency. Secondly, define the members' department influences the communication among them as the organizational structure defined different groupings. Thirdly, measure the relationships along the hierarchy impact on different responsibility. Finally, as the result of different work, communication and groupings' segmentation, the relations of authority and coordination of organization will be influenced.

Therefore, by implementing different organizational structures, the staff's perspective of the company would be changed. Furthermore, the perspective is depending on the balance of the amount of centralization or decentralization in the organization. The choice of centralization or decentralization is the top manager's decision. In sum, finding out an adaptive organization structure influence the staff's perspective of the

company and change their performance in working in a sense.

2.1.1 Function-based versus project-based organizational structure

The traditional or function-based organizational structure (FS) (see Figure 1) is found in many large and mature companies. People are grouped into departments based on similar skills, expertise, work activities, and resource use (Draft 2008, 314). FS has a strong vertical design that information flows up and down. Besides, the chain of command has coverage at the top of the organization. People are grouped by discipline and their level of authority in a top-down hierarchy. Therefore, managers and employees are compatible in FS. However, FS recruit more supervisors to keep control and manage its workers in each of its discipline. Functional unit managers coordinate project work performed within a functional unit. The result is that no one really owns the project.
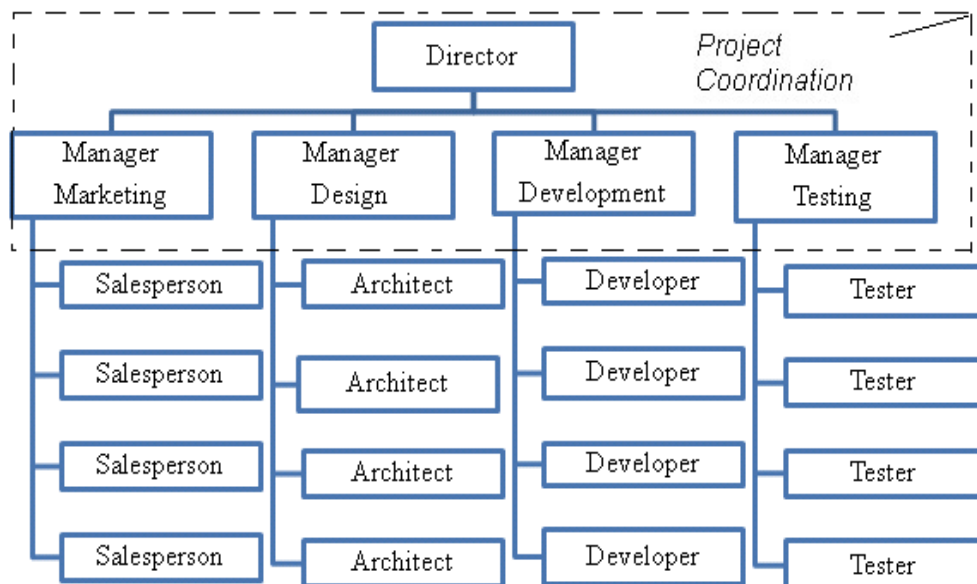
Figure 1 Project-based Organizational Structure

In direct contrast to FS, the project-based organizational structure (PS) occurs when

departments are grouped together based on organizational outputs with common skills and resources. Besides, PS diverse departments together to product a single organizational program output (see Figure 2). Therefore, the project manager has complete authority and control over project resource. However, the groups of PS need to have similar technologies at the same time and being able to more rapid decision making. PS has a strong communication channel. Besides, resource conflicts can be resolved by project manager according to project priorities. PS encourages decentralization, so that decision making is pushed down. Therefore, within the same group work agreements, the group members share the same goals. (Draft 2008, 316-317.)
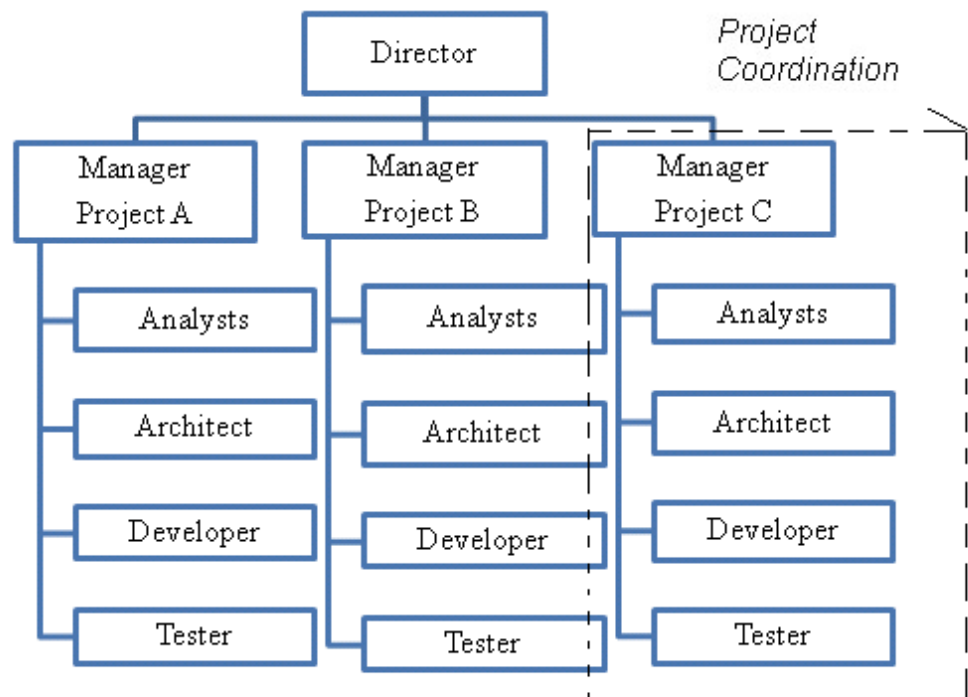
Figure 2 Project-based Organizational Structure

Both of the structures have their strengths and weakness. Table 1 shows the advantages and disadvantages of FS and PS. The analysis of the advantages and disadvantages of FS and PS were designed by Draft. FS permits efficient resources use and economies of scale by grouping employees with the common tasks. However, FS separated people into distinct departments so that communication and coordination across functions are

often poor. Besides, FS has slowly response to environmental changes. Furthermore, the decisions concentrated at top of hierarchy so that the decisions could be delayed in FS. (Draft 2008, 323.)

Table 1 Structural Advantages and Disadvantages

Mode	Advantages	Disadvantages
Function-based Structure	• Efficient use of resources • Economies of scale • In-depth skill specialization and development • Top manager direction and control	• Poor communication across functional departments • Slow response to external changes • Lagging innovation • Decisions concentrated at top of hierarchy, creating delay
Project-based Structure	• Reduced barriers among departments • Increased compromise • Shorter response time, quicker decisions • Better morale, enthusiasm from employee involvement	• Dual loyalties and conflict • Time and resources spent on meetings • Unplanned decentralization

In contrast to FS, PS breaks down barriers across departments and improves cooperation. Project team members know one another's problems and compromise rather than blindly pursue their own goals. PS also enables the organization to more quickly adapt to customer requests and environment changes. The speed of decision making is fast because decisions need not go to the top of the hierarchy for approval. Employees are enthusiastic about their involvement in bigger projects rather than narrow departmental tasks. However, project team members may make different demands on members than do their department managers. There should be a large amount of time for meetings. Besides, the team approach may cause too much decentralization. (Draft 2008, 323.)

PS is much more flexible and responsive to the unstable environment. Besides, the concern for customers' need would be higher as employees working on a single project.

PS has excellent coordination across functional departments, but the coordination is often poor. Moreover, the resources use could become duplication, loses efficiency. Therefore, employees have less technical depth and specialization in PS. Even though the coordination in PS is often poor, creating organizational knowledge would help for employees to learn by each other (Nonaka 2008). More discussion of creating organizational knowledge was provided in chapter 2.3.1.

2.1.2 The influence of contingency factors on organization design

Although many things can affect the choice of an appropriate structure for an organization, the following five factors are the most common. They are size, life cycle, strategy, environment and technology (Cameron & Green 2007, 85-87). Besides, there are four contingency factors that influence on organization design (Pfohl & Zöllner 1987; cited in Angerer 2006, 48). They are the complexity and uncertain of the criteria, requirements of the decision-making levels, relationships with other functional units and the behaviour of the employees (Angerer 2006, 48; Cameron & Green 2007, 88).

The strongly requirement of the appropriate structure for the case company is due to the expanding size, strategically change, competitive internationally environment and practical technology for architectural projects. The decision-making levels are random between the family members and the functional managers. The relationships and the behaviour of the employees are complex and chaotic, because of the specific organizational culture in China. Guanxi, renqing and face are showing in day to day business life. The more detail discussion for these contingency factors in the case company can found in chapter 3.2.1. Consequently, these factors affect the case company to choose another organizational structure towards the current one.

A number of formulas and rules have been offered to determine the optimal span of control in an organization. However, research on this topic has not conclusively identified a foolproof method. Therefore, which organizational structure is an

appropriate structure for the case company in today's business environment? According to the five conditions that concluded by Henry Mintzberg, the answer can be found (Marquis & Huston 2009, 415). His five conditions firstly include the coordination requirements within the unit, such as the degree of job specialization. Secondly, the condition requires the similarity of the tasks in the unit. This need the grouping people has the similar task (e.g. product, project). Thirdly, the condition requires the type of information available or needed by unit members. For example, the members want to frequent information from the other members. Finally, the conditions require differences in the members' need for autonomy and the extent to which members need direct across to the supervisor. For example, who is the leader in the grouping and who is the person the member should talk with to get things down.

An amount of projects are carried out in construction companies, while the quality of architectural projects is often influenced by the time limitation. Hence, the organizational structure respect for quick decision-making. Besides, it also respect for the authority of management and the executive team for creating a line of communication, to lead the project working more efficient and valuable. In project-based organizational structure, employees can learn more multi-skills, and do more exercise in every field of work. Therefore, they can have better communication and coordination. In a word, the factor impacts on the need of implementation of the organizational structure in the case company are the segmentation of the managers' authority between the family members and functional managers. The new line of command advocates reforming the relations among the operational workers with managers. As a result of that, the communication between the organizational members is changed. These are the factors impact on the transformation of the project-based organizational structure in the case company.

2.1.3 Project-based organization

The structure of project-based organization (PBO) has come to be applied to a range of

industry, especially in construction industry companies (Gann and Salter 1998; cited in Kodama 2007). PBO conducts the majority of their activities as project and privilege project over functional approach. The mission of the PBO is to generate results in response to specific demands by structuring projects around temporary assemblies of in-house specialist staffs. Besides, the specialist staffs execute business within a fixed time limit (Kodama 2007, 2). Therefore, PBO possess all internal and external resources as well as individual functions included such as finance, human resource, and engineering. Constantly, PBO establishes organization is structured to execute business as individual project. Therefore, PBO involves the creation of temporary systems for the performance of project tasks (Sydow, Lindkvist and Defillippi 2004, 1475; cited in Kodama 2007, 4).

Projects are highly autonomous within goals set, in terms of time, money and outcome qualities. Projects involve selected staff members that are grouped and formed as a "learning community". The grouped members create a communal and coherent knowledge platform through sustained cooperation and coordination over an extended period of time. The learning community afford the knowledge platform to the members to work together in permanent time. It is worthwhile to note that the integration of each staffs of the community has become especially important as the project members gain the expertise from others. Comparing with the function-based organization, PBO have more efficiently in individual projects because collecting resources are from the specific functions. Under the specific functions' cooperation and coordination, each member can become more understandable about the others' job description. Therefore, PBO often called a "learning community" is due to the communication and learning in the knowledge platform. (Kodama 2007, 5-6.)

To be a project-based organization, it requires the organizational members working together in the same projects. Besides, they pursue a common goal and rules for implementing the project. The members of the project group share their specific professional skills, so that each of them can learn from others and communicate effectively.

2.2 Change perspective

The mainstream approach to study organization is from three aspects (Hughes 2006). They are aspects of structure, process and culture (see Figure 3). To be clear, the process is something around certain tasks in the organization. The process here means the approaches to formulate the factors resist the organizational structure to change. The change perspective were found after understand the formal organizational structure and the informal organizational structure. The informal organizational structure is invisible. The analysis of invisible organizational structure belongs to culture aspect.

Firstly, the upper circle of the figure change perspective is the discussion of the function-based and project-based structure. This circle belongs to the visible formal organizational structure. Besides, this structure circle is relevant with the process circle and culture circle. For example, the factor influence on the designing of the structure in chapter 2.1.2. That chapter mentioned about the culture aspect in the case company. Secondly, the culture circle is the invisible aspect of organization research. How it is relevant with the process and structure can be found in chapter 3.3. Finally, the last circle named process, some research on organizational hypotheses of staff members' behavior in resistance to change. Furthermore, these observations of staff members' behavior is used for the case company to see whether theses process appear to match the structure change.

The following sub-chapter 2.2.1 will explained how the leadership roles and management functions associated with the structure. It is not only use for the formal structure, but also the management of informal structure.
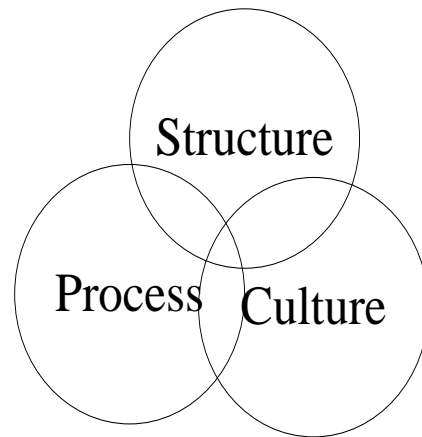
Figure 3 Change perspective

2.2.1 Leadership roles and management functions associated with structure

Each organization has a formal and an informal organizational structure. The formal organizational structure is visible from the structure chart (see Figure 1 and 2), whereas the informal structure is unplanned, and generally social. Therefore, the choice of leadership style in managing the formal and informal structure will be necessary to discuses here.

In the early 1900s, Max Weber, a German social scientist, the father of organizational theory, proposed a "bureaucratic" form of structure. Weber argued the great virtue of bureaucracy was an institutional method for applying general rules to specific cases, thereby making the actions of management fair and predictable (Marquis & Huston 2009, 265). However, considering the complexity of managing organization in the 21st century, Weber did not examine the bilateral relationship between employees and management prevalent in most organizations in today (Marquis & Huston 2009, 265). Even through Weber's idea has been used for past century, innovating bureaucracy for today is a part of the solution to a range of social concerns and objectives (Styhre 2007).

Weber's bureaucracy had some elements which included "rules", "procedures",

"division of labor", "a hierarchy of authority", "technical competence", "separation of ownership", "rights and property differentiation", and "documentation" (Griffin & Moorhead 2010, 423). In order to avoid systematic control, it is necessary to clearly make impersonal rules and impersonality of interpersonal relationships for leadership and management. Therefore, the leadership roles and management functions are made for the organization. Especially, it is important that all company members accept a well-defined hierarchy of authority in implementing projects consulting.

The image of bureaucracy is unnecessarily negative in terms of efficiency, performance, customer satisfaction and work-life experiences among co-workers. In direct contrast to negative thinking, the innovating bureaucracy is playing the role of a safe haven providing predictable careers, reasonably meaningful job opportunities and other increasingly valued today. The increasingly valued are the outcome of controlling social concerns and objectives, leading to praised qualities and work-life opportunities. Bureaucracy can operate efficiently in an age favoring fluidity and change rather than past virtues of stability and predictably. Bureaucracy has turned out to be less a hard and fast trans-historical model. In other words, bureaucracy is here not primarily regarded a fixed, immutable structure. However, it is instead treated as the outcome from a rule-governed process of organizing complex undertakings. Therefore, bureaucracy is a set of administrative principles guiding a rich variety of organizations and firms in their pursuit of, in the vocabulary of strategic management theorists, sustainable competitive advantage. (Styhre 2007, 3-12.)

The following leadership roles and management functions are associated with organizational structure shows strong similarities with the concept of bureaucracy. The leadership roles firstly include evaluates the organizational structure frequently. The leader needs to determine if management positions can be eliminated, to reduce the chain of command. Secondly, encourage and guide employees in following the chain of command and counsel employees who do not follow chain of command. For example, to encourage upward communication and teaching group members how to avoid groupthink. Thirdly, support personnel in advisory (staff) positions and assist

staff to see how their roles are congruent with and complement the organization's mission, vision, and goals. Fourthly, make a model of the responsibility and accountability for subordinates, such as facilitate group goals, not to delay decisions. Fifthly, foster a positive organizational culture between work groups and sub culturing that facilitates shared values and goals. Finally, promote participatory decision making and sharing governance to empower subordinates. (Marquis & Huston 2009, 265.)

The first of the management functions is having a clearly organization's internal structure. The structure includes personal and department authority and responsibilities, make employees know the organization's culture well. Secondly, identify continually and analyzing partners' interests in the organization. The management function needs to maintain unity of command when it is possible, to make the unity of command clearly. Thirdly, provide the staffs with an accurate unit organization chart and assist with interpretation, such as using the informal organization to meet organizational goals, so to increase the quality and quantity of work accomplished. Finally, make the employees follow appropriate subordinate complaints upward through chain of command, appropriate works to achieve a level of operational excellence appropriate to magnet status. (Marquis & Huston 2009, 265.)

2.3 Theory thinking in organizational change

The characteristics and differences of two kinds of organizational structures have been identified, as well as the importance and content of leadership roles and management function. Besides, some factors influencing the design of structure change were covered. Therefore, theoretical thinking in organizational change help to explore the reason that such of factors should be considered in implementing of the structure change.

There are two parts in theoretical thinking in organizational change. They are informal organizational thinking in change processes and the cause of resistance at individual

and group. The informal organizational thinking in change processes is based on hypotheses of structure conflict from the employees. There are many types of the structure conflict, for example, mangers desire to control - centralized decision making. However, at the same time, management also wants to include and involve employees - delegation of decision making. Therefore, it is complex and uncertain of the criteria of making decisions, even in structure change. (Caluwé & Vermaak 2003, 28-29.)

2.3.1 Informal organization thinking in change processes

Knowledge workers and operational workers constitute the workforce of the organizations. However, many organizations have unclearly strategic documents and mission statement for the operational workers (Chen 2003, 35). Besides, they have little insight into the work processes thereby the connection between activity and value is difficult to define and to articulate (Caluwé & Vermaak 2003, 9). Therefore, the involvement of persons in the decision making is ambiguous and the operational workers' individual opinions were easy be concealed. Often managers think they can determine many goals in whenever they want. The results seem are many organizations are ambiguous in the organizational objectives, work processes and participation. (Caluwé & Vermaak 2003, 9).

The organizations hold numerous meetings to decide what it is that needs to be changed and how the change will be tackled instead of what employees actually do (Caluwé & Vermaak 2003, 8-10). Hence, unclearly behavior of operational workers and poor communication between the employees become one of the reason that lead to the goal of change into fail. The approach to avoid the above discussion is staff members must be involved in the discussion. Therefore, their behaviour is made visible. Besides, there is sufficient safety for people to give and receive feedback on their behavior. In the stage of implementing the structure change, every group of staffs should participate in decision making. Moreover, the meetings should hold for explaining what every staff member should do instead of telling them how the change

will influence the company.

The knowledge workers (e.g. technician, accountant, functional managers) have an outstanding degree of autonomy in their work, so they have their own development (Caluwé & Vermaak 2003, 13). It is difficult to manage, steer or change the knowledge workers (Van Delden 1995; Weggeman 1992; Vermaak 1999; cited in Caluwé & Vermaak 2003, 14). This means the combination of the bureaucratic managers (functional managers) and the autonomous professors (e.g. technician, accountant) are troublesome for the leadership management. The reason is everyone following his or her own direction, people do not learn from one another. In project-based organization, it requires the bureaucratic managers and the autonomous professors working together. However, the coordination is often poor in project-based organization. Thus, it is necessary to make them work in a team.

Nonaka (2008) argued that creating knowledge will become the key to sustaining a competitive advantage in the future due to the competitive environment and customer preferences change constantly, knowledge perishes quickly. Nonaka insists that the managers should know how to organize companies in such a way that they create new knowledge and exploit this new knowledge to develop new products, service and systems. He found out US manager focus on explicit knowledge. Besides, Japanese focus on tacit knowledge. Tacit knowledge is communicated only indirectly, learned only by experience. He pointed out the best management style to create knowledge is neither top-down nor bottom-up, but rather "middle-up-down". The reason is the middle managers are between the ideals of top management and the ideals of down operational workers. In the twenty-first century, the ability of acquiring and applying knowledge will become key competitive factors. (Peter Drucker 2001; cited in Nonaka 2008.)

The requirement of the decision-making levels through effective negation can help for the coordination. Both parties are conscious of the autonomous workers and hierarchical managers. People respect each other's domain and do not trespass. People

are willing to recognize that they depend upon each other. Besides, there is a negotiating or communication forum, positively accepted agenda items to be discussed. Finally, have an agreement about the consultation procedures. There is mutual, legitimate coordination concerning decision-making and the execution of the decisions. (Caluwé & Vermaak 2003, 13-15.)

People have their own interest and goals and cannot help but pursue them (Parsons 1977; cited in Caluwé & Vermaak 2003, 31). Power is used as the instrument for meeting the person's goals and interests in the organization. For example, knowledge workers and middle managers possess informal power based on their knowledge, personalities, and contacts. Besides, managers might draw on their own personality based on their formal hierarchic position (Caluwé & Vermaak 2003, 32). Employees not only bring their hands to work, but also their hearts. The organization is not just the formal organization which can be seen from the structure. The structure defined the "rules", "work division", "procedures", "lines of reporting", "policy", "goals", "technology" and "finance". Furthermore, the informal organization also includes "coalitions", "psychological needs", "power", "informal leadership", "conflict", "moral", "informal norms", "sensibilities", "social codes", "loyalty", "friendships", "emotional feelings", "perceptions", and "risk-taking behavior" (Caluwé & Vermaak 2003, 33.). Besides, the informal activities can help to strengthen the formal organization. French and Bell (1984) sum up the characteristics of informal activities as the "culture of an organization" (Caluwé & Vermaak 2003, 34).

In a group, people exchange immaterial goods such as prestige, signs of approval, information, or loyalty. This means, these exchange patterns have the ability of bonding and disintegration of groups. Thus, it seems whether the employees are support or resistance to the decision making is based on economic exchange in group behavior. They have such power in relationship with other function unit and commutation with the employees to change their behavior. The organizational culture influence the change is provided in chapter 3.2.

2.3.2 The causes of resistance at the individual and group

If individual (every staff members in the organization) is under conditions of a highly centralized distribution of power, they will perceive a lack of personal control over unfolding events. Thus, individuals in high on need for control and will exhibit higher levels of resistance to change (Winter 1973; cited in King and Anderson 2002, 204). The factors which can influence the account of resistance at the individual level are locus of control, need for achievement, and rule independence and authoritarianism (Winer 1973; Rotter 1996; McLelland et al. 1953; cited in King and Anderson 2002, 204-207).

However, these factors cannot explain fully the reasons of resistance. Besides, the attitudes based upon previous experiences of organizational change will have a significant impact on the account of resistance at the individual level (Kotter and Schlesinger 1979; cited in King and Anderson 2002, 207). For example, a lack of trust and misunderstanding the intentions of change, low tolerance of change, parochial self-interest, and contradictory assessments of the same process dependent upon one's vantage position within the organization. Therefore, every staff members in the organization need to understand the process of change well.

At the group level of analysis, resistance to change can be working relationships of a group. Again, the distribution of organizational power and authority will mediate the account of resistance under different circumstances. To be clear, there are two sources of resistance to change, which includes "rational" or "emotional". Rational resistance occurs individuals decide to their working conditions, emotional resistance occurs as the result of negative psychological processes. Change is unknown unless notes the explanation for why resistance occurs. Change challenges the status quo. People may resist because of powerful vested interest in maintaining the current equilibrium position. Besides, change often means extra workload where new information needs to be uploaded (Starke 1984; cited in King and Anderson 2002, 208.)

3 CASE DESCRIPTION

The case description is divided into three main parts. The outlines of the case company, compare the traditional Chinese business and Western business, and change process analysis.

3.1 Outlines of the case company

> *"Building competitive projects awareness,*
> *striving for excellence works,*
> *keeping contractual reputation,*
> *and meeting the service commitments"*
>
> NCRBC

Nanchang City Road & Bridge Construction Co. Ltd. (NCRBC) is a Chinese construction company that was established in June 1995 by Mr. Wei Guoping, who is the owner and the president of the company. The process of building NCRBC is very long and hard. Wei started to work since he was 16 years old, and had a long-time experience in the construction company, and become to have his own construction company when he was 40 years old. Relying on his courage and belief, Wei had built up NCRBC from nothing.

NCRBC is based in Southern China, and it is a comprehensive construction enterprise. Where deal with the municipal public construction projects, lighting engineering in city road and bridge, housing construction, foundation of the general engineering, building decoration, curtain wall engineering, sports facilities, and urban landscape. The registered capital of NCRBC was 40, 750, 000 RMB. Since inception, NCRBC has become a highly competitive new enterprise and has leading position in municipal pubic construction in Nanchang City. NCRBC had business not only in Nanchang City,

but also other cities in Southern cause NCRBC had some branch offices in Southern. But the owners of the branch offices are the contractor, and NCRBC had no right in decision making in these other contractors.

NCRBC currently has about 248 combined seasonal and full-time employees. Including 13 first class registered engineers, 11 second class registered engineers and 8 landscape gardening project managers as well as 16 senior engineers, 47 engineers, 150 assistant engineers, 27 technician, 1 senior economic manger, 3 economic engineers, 1 senior accountant, 2 accountants and 1 assistant accountant. Several of the foremen and operators have over 40 years of experience in construction. NCRBC considers worker safety to be a priority. This commitment is enforced by the full-time safety director and an emphasis on safety from the management. Since inception, there is no accident or dead person during carrying on the projects. NCRBC has over 23 registered vehicles and pieces of major equipment are very unique, and the value of the equipment reaches ten million. Many of the projects require innovation to complete on budget and on schedule. In recent years, the company continues to expand, and the annual construction value is nearly billion. The quality of many projects was reputable by the owner, and got affirmation from the provincial and municipal leadership departments. In 2001 and 2003, NCRBC had been named into the advanced unit of construction enterprises. In 2009, was rated as advance construction unit by the People's government of Ganzhou City.

After China joined WTO, it has already entered a new age. The Chinese market is not an independent market but a part of globalization. Therefore, NCRBC, as a traditional Chinese contraction company, it also changes its strategy to keep up with rapidly changing business environment world.

3.1.1 Resource of NCRBC

The company's current organization structure is functional structure, which consists of

four functional departments: finance, engineering, logistics and planning department (see Appendix 3). Among these functions, engineering and planning are great importance at the moment as well as Mr. Wei who is the President of NCRBC said (Q 1, Appendix 1): "The company is expanding. Now, although everyone should do whatever their position requires but lack of enthusiasm. They don't have much incentive to work hard. Engineering and planning department are the lifeblood of the company, how to improve their work more efficiency is the foundation of development." The President of NCRBC, Mr. Wei wants to improve the employees' working performance. Besides, the mission of NCRBC is based on his vision for the better performance. The mission is "building competitive projects awareness, striving for excellence works, keeping contractual reputation, and meeting the service commitments".

NCRBC has a distinct feature which is seasonal. Almost every employee was busy on working when there was a project to be implemented, other way around, quit free when no project was carried on. It is worth notice that the brothers of the president, the wife of the president, and some family members were worked in the company. Besides, some of the family members supported financing sources of the company, until the year of 2003, the president disengaged totally privately owned company into a partnership firm. However, the President Mr. Wei still own 83% share and has the final power in decision making. NCRBC is the kind of the traditional Chinese company, be controlled by a dominant family head (the President). A lower manager will go straight to the head without going up through the chain of command. Besides, even if nobody in the family has the skill to run the business, family members are preferred over outside professional managers.

3.1.2 Current situation analysis associated with structure

The principles of organizational structure are the methods by the organization to develop their goals, and then to work on achieving those goals as the chapter 2.1

explained. Start from the basic purpose, respect for the authority of management and the executive team for creating a line of communication. The organizational structure could define everyone's role within the company.

For most of project work is a temporary organization activity, the project will be dissolved after the end. Project organization is often an integral part of the organization, such as the construction company, an amount of projects be built for employees to carried out. Hence, the project-based organization is closely related forms of the company. On another hand, all enterprises are classified by the project in the construction company which seems no longer functions in existence. Besides, the employees need to contribute on more than one project, and the quality will be influenced because of the time limit. Therefore, the construction company need to a system which can lead the project working more efficient and valuable. This is exactly the advantage of project-based organizational structure.

From the technology point of view in using the project-based organizational structure in NCRBC because it is better and adaptable. No matter in China or the United States and Europe has emphasized the importance of cost forecasting and planning. That is predicted by science to develop the project cost plan. However, the practice of project management is not satisfactory in China. One example from NCRBC in 2005, the cost document is very well planned, while the cost is out of cost forecasting. The Present noticed the company lose money in implementation of the project work that he even though it is benefit before he got the result. Meeting were been hold for finding the reasons of fail in project management. Engineering manager was companied about the finance manager had a bad budget plan, finance manager contradicted the purchase materials were different than budget plan. No ending negation and no person were be punished.

What NCRBC should learn from the project working mistake, is how important project manage is. Hence, for employees, the project work should be more efficient and people strive to multi-skills, so one person can do more profession. The person should focus

on the combination of using and learning exercise, to improve the quality of personnel. Besides, this is another advantage of using project-based organizational structure. Employees can learn more multi-skills, and do more exercise in every field of work so to have better communication and coordination.

To be clear, the project management is not standardized in NCRBC. Go back to the history of NCRBC, in recent years, the company have been exploring the system, the three-level management (companies, branches, construction team), and the current structure (Appendix 4). The use of functional structure in NCRBC brings the separation of the management level and operational (engineering) level. The two levels employees are missed-communication, and the different authority in implementation of project works as the different level of understanding.

From the specific Chinese organizational culture point of view, the Present of NCRBC had all control power in the company and a lower manager will go straight to the head without going up through the chain of command. Hence, it is not the function manager were derelict of duty, but the Present had unconsciously taken too much of responsibility. Moreover, family members run the business even without professional skills, and family members are preferred over outside professional managers. This kind of situation may cause the problem that the professional managers and family members may have a kind of tensional relations. Each of they see the others uncomfortable. For example, the Present gave the authority to the family member, but the professional managers were taken the responsibility in the projects. As the result of that, the professional managers have the unfair feeling lead to a negative emotion in working life. Besides, the family members thought the professional managers were not listen to their leadership in the project working as foremen and operators are be guided by professional managers. Thus, even the function structure chart had shown the authority of management and the line of communication in NCRBC while it is frothy.

Through the above discussion, it is necessary to establish the project-based system in NCRBC, to solve the existing problems, and to achieve the following objectives.

Firstly, setting up a scientific organizational structure to achieve coordination among agency, cooperation, and jointly accomplishing the construction project management. Secondly, clearing all departments and staff rights and responsibilities, in particular cost responsibility, to every individual, so that overall control. As the result of clearly departments, to achieve the control goal in the whole process for project work. In short, finally, a series of measures to establish a reasonable and comprehensive project control system. In sum, the perfect project management, the whole process, timely and dynamic control, to achieve optimization of project management, and to improve construction efficiency.

3.2 Compare traditional Chinese business with Western business

According to the first report of the "Chinese Family Business Survey", it shows that the growth rate and profitability of listed Chinese family companies is higher than in listed state-owned enterprises (Zhao 2010). Hence, family-run companies have a specifically percentage in the Chinese enterprises. It also means the family-run companies have highly market value. However, the family-run companies have just grown up compare with the state-owned enterprises (Zhao 2010). The report found out that many Chinese entrepreneurs can get better support from people who are in their own age group and can be trusted during the start-up period. The people are their husbands or wives and brothers. Besides, the case company belongs to the family-run companies.

Business has always been connected to family for the Chinese. The family is the foundation of the family-run companies. Family business went along with the substantial growth of private enterprise until the open-door policy was introduced in 1979. Family business see serve family interests as the main company purpose, this "family first, business second" principle established priorities different from West company. Following Confucius, the family has its functional role as a broader societal network of morally binding, mutually dependent relationships. The Confucian state is

composed not of individuals per se but of their interconnections and interdependencies. This means Chinese pay more attention to family members than the external environment, and Chinese can sacrifice the benefit of the company for family members (Chen 2003, 19-24.).

The Table 2 contrasts some of the key differences between traditional Chinese business practices and the Western companies. Those family-run companies usually are controlled by a dominant family head whose has the significant power in decision making. In general, a lower manager will go straight to the head without going up through the chain of command. This means the management system is out of control. Besides, the heads of Chinese family business usually are succeeded by family members who carry the business tradition to the next generation. Even if nobody in the family has the skill to run the business, family members are preferred over outside professional managers. In general, Chinese assets are divided among all the sons, who may branch off into different industries (Chen 2003, 35; cited in QuickMBA Management 2010.).

The main company propose of Western companies is to maximize shareholders value, and to use the professional management system. However, to serve family interests is the main company propose of Chinese traditional business. Besides, the main finance support of the company is family or friends of family, they have the decision making power in transformation of ownership and the management. This kind of relationship-based business culture determines the Chinese company's internal operation and external networking.

Table 2 Western VS Chinese Business Practices

Business Practice	Western (西方)	Chinese （中国）
Main Company Purpose	Maximize shareholder value	Serve family interests
Financial Openness	Public financial reports	Keeping secret
Financing Sources	Public sale of securities	Family and friends of family
Transfer of Ownership	Mergers & unfriendly acquisitions	Companies are not sold due to family obligations
Advertising	Brand is promoted by advertising	Without advertising, sales are made via the family network
Management	Professional management, recruited on qualifications	Senior managers are recruited from within the family
Time Horizon	Short-term emphasis on bottom-line profits and shareholders' value	Long-term family prestige is emphasised
Business Culture	Transaction-based	Relationship-based

3.2.1 Specific Chinese organizational culture

Gareth Morgan states that "effective organizational change implies cultural change" (King and Anderson 1986, 138). Hofsted (1991) defines culture as "the collective programming of the mind, which distinguishes the member of one category of people from another." Organizational culture influence employee attitudes within the process of organizational change. By providing a reservoir of organizational meanings against which results, experience and performance data are interpreted and inquiries about changes in procedures and program technologies can proceed (Mahler 1997; cited in Alas and Sun 2007)

According to Hofsted's Individualism index, China was highly collectivist. The low

individualism, viz., collectivist, is manifest in a close and committed member group, be that a family, extended family, or extended relations. Beside, loyalty is paramount in Chinese culture, where everyone takes responsibility for fellow members of their group. To be clear, Chinese culture is much more relationship-based culture.

The context of culture power includes intellectual factors (e.g. technology, education, etc.), spiritual factors (e.g. ideal, belief, ethic, value, etc.) and the social-cultural network affect the daily life (Gia 1998; cited in Wong 2007). Culture is complex to have it defined specifically, but people can try to understand the influence of the cultural power and how its characteristics are related to operation. There are such words often being mentioned when talked about Chinese organizational culture, such as "Guanxi", "Face", and "Renqing".

China is a society that built based upon Confucianism where people are tied closely into varieties of guanxi (Pearce and Robinson 2000; Gibb and Li 2003; cited in Wong 2007, 257). In Chinese dictionary, guanxi means that people in society establish personal relations, and it describes the basic dynamic in networks of influence (Xinhua 1998). In China, guanxi can be regarded as family relations, friendship, and relations in organizations. Hence, guanxi is a measure which reflects the depth of feeling within an interpersonal relationship and it is closely related with renqing. In guanxi system, the three basic guanxi of the father and his son, brothers, and the husband and his wife are inside of the family. The political guanxi of monarch and his subjects it up-pushed to the national level, and guanxi of friends contains the rest of those who are outside of the families (Wong 2007). Hence, the progress of Chinese society is "family- nation- world". In markets, people see product on the visible price, while in China, people see invisible price - guanxi.

Renqing is the moral obligation to maintain the relations, and the idea of Face. Guanxi is much more than a friendship or simple interpersonal relationship in the organization. Guanxi includes mutual obligations to respond for assistance requests. For example, a guanxi may lead a person to feel obligated to help someone get a job or promotion, or

stand by someone's side to resist the goal of the organizational goal. Besides, renqing maintain the relations. In a word, guanxi in the organization means a lot, not only the exchange of favours, but also the behaviour of a Chinese with other members in the company. In Chinese companies, there are such phenomena that people get job, building relations relay on the building of guanxi. (Los Angeles 2010.)

Renqing means human sentiment or emotion, ren refers to human being and qing refers to sentiment, emotion, favour, kindness, relationship (Xinhua 1998). Renqing used as relationship orientation, which covers adherence to cultural norms of interaction (Law and Leonard 2004; cited in Wong 2007). Mianzi (literally "face value") has long been observed by most Chinese. Guanxi and face are expressed in day-to-day life in China. "Face value" is a "strategy that protects self-respect and individual identity, where face saving activities and protect the individual's role in guanxi network.

Therefore, this specific Chinese organizational culture should be considered when the organization makes the changes, because of guanxi, face, renqing are showing in Chinese day-to-day business life.

3.3 The change processes analysis

The distinction of five dimensions in change processes were put forward by Vinkenburg in 1995. They are namely, the content dimension, the social dimension, the structuring dimension, the sense-making dimension, and the conditional dimension (Caluwé and Vermaak 2003, 70). Planed change is realizing intended outcomes, while recognizing and building on the historical context. By actors who influence each other with going through a sequence of phases or steps. The steps are communication and sense-making (Caluwé and Vermaak 2003, 73). Each of the following five dimensions focuses on one particular dimension of organizational development as a change process.

The dimension of content:

- Intention: the goal of the change is to build the new structure chart so to define clearly rules and responsibility in project working, to provide a better system for communication and coordination. The goal is not so important, but focus on the process by which the amount of objects for possible improvement. People have different perspectives and perceptions of possibilities for improvement. The President wants that every functional department manager can play well of their role and achieve beneficial result (Q1, Appendix 1). The engineering manager wants to maximize the ability of calling people and improve the ability of production as the goal. The finance manager hope the new structure can solve the problem of management as the limitation of the current structure. And planning manager disagrees about the change organizational structure as the demand of staff is large (Q1, Appendix 2).

- Changeability: change the attitudes and the interactions are more difficult than physical objects and attributes. As the intention explained, people have high perspective in what they want to improve than what they are able to improve.

- Attitude change: most of the persons involved knew the importance of change attitudes, while they do not know how to realize the change attitudes. People emphasize development of knowledge or feelings. The development is often very briefly.

- Interaction change: the presence and interventions of facilitators are important, as the theory explained in 2.2.1. When exercising the professions, it appeared that they have their own way of thinking and action.

- Visible and measurable: the communication among people has the relation to the use of project-based structure.

The dimension of structuring:

- Vision: the objective of the case company to make a change in organizational structure. The interviews with the Present and functional managers considered the drive for improvement as due to inner, personal motive, rather than the external pressure or business rationales.

- Accountability: anyone who involved in the interaction may be analyzed to account their contribution to the development.

- Dominant visions: to discover the inner, personal motive, it is better to analysis their fancy in which kind of way to be managed. The feelings evaluation concerns agree and disagree form.

The dimension of social:

- Participation: everyone in the case company are actively involved in the change, includes the President, the functional managers, engineers, assistants, accountants, foremen.

- Influence: the position of the President won't change a lot except learn to use the new organizational structure. To instate the project managers from the employees who had the ability to take the job. And to balance the authority between family members and the project managers, decentralized authority. The position of the functional managers is not clearly yet, it depends on the instatement of the President. For these are not be instated into the project manager, he or she may feel lose face and have negation emotion. It seems become a demotion for them, and had to work with their own or the other department s' staff members together. The position of the engineers, assistants etc. would be better, because of the clearly authority, they do not need to worry about who they should listen to. A better communication line, and may be become one of the project managers.

- Communication: the questionnaire is about the feeling evaluation. Often it is a very delicate matter. Less questions, the better. Yet, when it was given, it was not heard.

- Role fulfilment: collect the questionnaires, no argumentation.

The dimension of sense-making:

- Views on improving: there are two kinds of imagery. They are static and dynamic visions. The static is renewing the roles and responsibility. The dynamic vision is changing the employees. The natures of change triggers are reorganization, which will rebuild the rules and responsibility, communication and coordination system. The President's interests are served by the change, and the rest of organization is

unclearly, yet. Because of the institute of the job for the functional managers and staff.

- Relationship: the Present can use the innovating bureaucracy as an institutional method for applying general rules to specific cases. And a middle manager has a large degree of centrality. Hence, the Present can use the bureaucracy theory for the middle managers as it can past the information upon to down. For those who had high educational employees or professors have an outstanding degree of autonomy in their work and their own development and in their relationship with colleagues and clients. They have the complicated relations between the professors and family members. Therefore, the effective negation among them is necessary.

The dimension of conditional:

- Directing attention: even though the attention for exploring resistance to structure change was widely present, it remained rather superficial. A point of interest was that where beneficiary are the whole organization.
- Offering perspective: better system for communication, job description in job satisfaction, tasks taking and responsibility, better relationship of authority and coordination of organization.
- Creating a climate: the organizational culture is depending on the person of the top manager and the relationship between the person in charge of improvement and the President. In some way, agglomerate people together in the case company.
- Determining interventions: make the leadership role and management functions. A well-defined hierarchy of authority must exist in subordinates and impersonal rules and impersonality of interpersonal relationship must be made. Staffs must be involved in the discussion. The people involved are committed to learning about their own behavior, the skills. Both parties (professors and family members) respect each other's domain, there is mutual, legitimate coordination concerning decision-making and the execution of the decisions.

4 RESEARCH METHODOLOGY

In this chapter the methodology of the work is described. Firstly, this chapter explains research essentiality and the design of the work. Secondly, the chosen research methods and techniques are discussed and justified. The third part of this chapter is devoted to describing the designing process of data collection and analysis.

4.1 Research essentiality and design of the work

The objective of the work is to explore the challenges resulting from the changes in different use of the organizational structure in a Chinese construction company. And to identify the crucial factors influence the success in transformation of the new organizational structure in the case company. The following research essentiality was stated in the research: when dealing with the reorganization of the structure, it is important to know that certain factors influence the success of transformation positively or negatively. Positive factors are success determinants, and negative factors are challenges to the success. As an outcome, the work expects to create an understanding of how to build the successful transferring of the organizational structure in Nanchang City Road & Bridge Construction Co. Ltd.

The research concentrates on the specific example of the transformation of the organizational structure in a Chinese construction company and it was draws from the case company's interests. That is why a single-case study as the research method was chosen. The work was focused on the particular issues in transformation of the organizational structure, such as challenges influencing the success in individual and group. Thus this work carried out a deep investigation for the case company to give a clear understanding of how to prepare in implementing new structure.

4.2 Research methods and techniques

This work used both descriptive and explanatory case study approaches. Qualitative methods and case study provide powerful tools for research in management, including leadership, organization, corporate strategy, and more (Maanen 1999, 1). Qualitative researchers aim to gather an in-depth understanding of human behaviour and the reasons that govern such behaviour. One of the research questions is based on in-depth understanding of the Presidents' behaviour in the case company and the reasons that govern such behaviour. Furthermore, a case study can answer either exploratory or descriptive or analytic research questions – 'how' and 'why' research questions (Harvey & Kate 2005). Although Yin (1994) argues that case studies provide little basis for scientific generalization, it is nevertheless applied extensively in as wide subject areas as change management. Besides, the case studies can amply describe the existence of a phenomenon (Eisenhardt and Grabner 2007, 27). Thus, qualitative case study can be used to describe the phenomena of reorganization in the case company.

As Bell (2005, 157) suggests, a skilful interview can follow up ideas, probe responses and investigate motives and feelings, which the questionnaire can never do. Furthermore, the advantage of semi-structured interview was that the research can control the whole process (Whitefield & Strauss 1998, 54-55). In the process of interviews, there were four people who were interviewed. Three of them are functional managers and one of them is the President of the case company. They are the mainly decision-making level. Moreover, they are the executor of using the project-based organizational structure in future. That also means they are important in this research work.

The work used the following research technique: analysis of documents, case study, theoretical knowledge, questionnaire, books and interviews. One interview was carried with the President of the case company and panel interview with the functional managers. In addition, the interview questionnaire asked questions about the President and three functional managers' opinion of the company's business structure in today's

operating environment and the potential problems in transferring.

The questions for both interviews were the same in order to compare them and draw analogies between them. The interview was taken in Chinese language, and the transcripts of the interviews were translated by two Chinese speaking students to minimize bias in interpretation. However, the interviews involved an additional stage of making interpretations in two kinds of organizational structure. The difference of two kinds of organizational structure had explained before the interviews being carried out.

The quantitative approach in questionnaire is used to minimize the staff members' behaviour reflect on organizational structure change because the qualitative approach is not enough to implanting the project-based organization in the case company in the future. The research techniques used are based on the preparation stage of implanting. It need more research on current job satisfaction and working performance. Therefore, questionnaire was made for 50 staff members of the case company. Besides, the questions in the questionnaire are limited in the employees' performance in communication, coordination, specific organizational culture aspects and personal preference.

4.3 The designing process of data collection and analysis

The mixed-model design (see Figure 4) consisted of two strands of research with both types of questions (Creswell 2003). They both types of data and analyses, and both types of inferences pulled together at the end to reach final inferences. The strength of the mixed-model used in this study was that the process of data collection and analysis were able to collect simultaneously, during the single data collection phase. Furthermore, by engaging in a study with the capabilities of both qualitative and quantitative research methods, the outcomes of research were able to gain perspectives

from the different types of data. Also, be able to gain perspectives from different levels within the study, the decision making level and operational workers level.
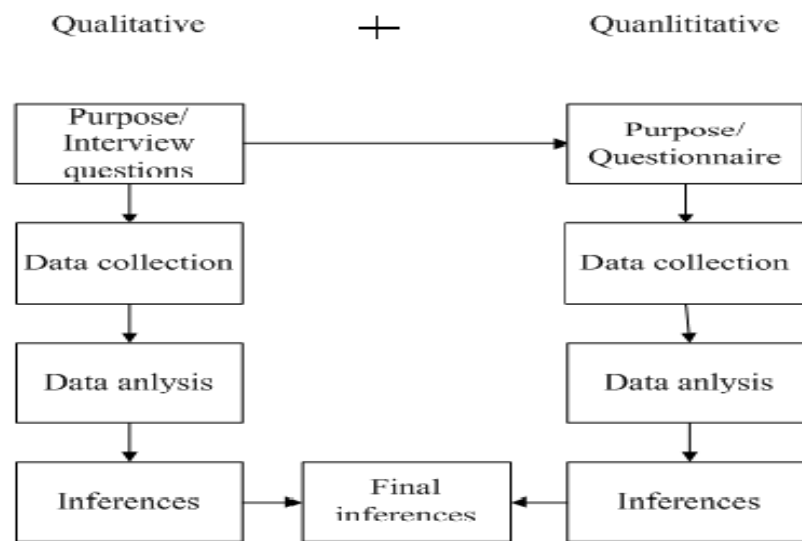
Figure 4 Mixed-Model Design

The data used for this research was both quantities and qualitative. As the study is descriptive and explanatory, the data collected was narrative derived from the personnel interviews with the President and functional managers of the case company. These interviews were the primary source of information in the research which is based on the interests of the case company. In the qualitative component, the interview questions consisting of open-ended questions was used to explore the President and functional managers' opinion in using project-based organizational structure and the perform ability in it. In the qualitative component, it required that participants' statement from "strongly disagree" to "strongly agree". These data was collected in different forms: raw data and summarized data; graphs, charts and tables; printed and digital data.

The data was collected according to relevance and importance, which was divided as found from secondary sources and generated data, i.e. the outcome from the interviews. The translated of the generated data was been written into a format in order to use it in the research as a base for the analysis. Beside, the transcriptions of the interviews

questions are presented in the appendices of the Bachelor Thesis. The reduction and organization of the data was based on its importance and usefulness which identified needed information.

5 DATA ANALYSIS AND DISCUSSION

In this chapter the process of date analysis and discussion is described, the outcome of the interview and the result of questionnaire.

5.1 Investigation from the semi-structure interviews

The company named of Nanchang City Road & Bridge Construction Co. Ltd. was been chosen to conduct investigations. The President and the Owner of the company is Mr. Wei Guoping, who is 55 years old now and planning to retire in next 5 years. He is not so satisfy with the current situation of organizational culture, because of the responsibility taking of the employees, and the attitude of working (Q1, Appendix 1). The engineering manager Mr. Xiao and the finance manager Mrs. Tu (Mrs. Wei's wife) thought the current organizational structure is not suitable for the situation of the company now. The reason is the current structure (functional organization structure) is limited to the development of the small enterprises, once the enterprises want to expand, the company will face the problem of management. Furthermore, the President of the case company pointed out the company is expanding (Q1, Appendix 1 & 2). Mr. Xiao also (Q1, Appendix 2) said it is complicated to call the other staff members to the engineering department for help.

However, the planning manager Mr. Liu disagree with transformation of the structure as the demand of staff for working in project-based organization is larger than the company have now. Besides, she advanced the existing company only needs a single manager in some parts of all the departments (Q1, Appendix 2). On the basis of the original structure, there should add one department more - investment department (Q5, Appendix 2). The company's operating environment and strategy, most of the answer were "Yes", when be asked about if the current organizational structure suitable (Q3,

Appendix 1 and 2), except Mrs. Tu said the company should formulate the compatible structure based on actual situation. From these conversations, it can be seen the attitude of change the structure have prominent perspective, but it is only perspective. People are satisfied with the current structure, and seem waiting for the future structure coming in the way to the company even they believe the new one is better. Besides, the President of the case company used the word "needs to" if the company becomes bigger when he was been ask about the question of the current structure (Q3, Appendix 1).

To be clear, the decision-making levels were interesting to see the future of change. However, the change depends on many things, such as, the size, the situation, the active, the solution and the authority of calling people (Q1; Q5; Appendix 1 and 2). Furthermore, the current work between the departments is coordinal (Q 4, Appendix 2), where the work between the departments is nice, but sometimes is difficult to call people. Of course, the decision-making levels were wish to have a better system for coordination and cooperation, more flexibility, and improve motivation (Q4, Appendix 1and 2).

There are such problems that the decision-making levels said out when facing the implementation of the change in the structure. For example, the issues of personnel working attitude, resettle the staff, the capable workers are allocated more tasks and the others will complain, and the most important issues is the capital (Q6, Appendix 1 and 2). These factors are authentic where it depends on the employees' attitude, the training lessons which will use the capital from the company, and the system of adjustments and admeasurements which employees will complain about the job.

The President's leadership role and management functions would determine how to project-based organization being carry out in the company as the theory analysis have discussed. Hence, the criticism for the President is important to research. Mr. Wei thought himself pay attention to family members, not decisive in problem and doing things without consult (Q7, Appendix 1). Mrs. Tu, his wife thought he treats staff like

friends, care about the employees, accept the opinions, and gave the opportunity to the employees who had mistake (Q7, Appendix 2). Hence, the President may treat employees on their relations (Q 10, Appendix 1; see chapter 2.3), that it is clearly when Mr. Liu point out Mr. Wei save the family benefit more than the company's benefit. Besides, Mr. Xiao gave suggestion to Mr. Wei should respect to the talents, where even his wife Mrs. Tu argues Mr. Wei do not treat subordinates too relax, there should be more punishment (Q8, Appendix 2). Moreover, Mr. Liu advanced light punishment lead to the family members are out of duty (Q 8, Appendix 2).

Therefore, for these professions and family members, they have a kind of uncomfortable relations. The project-based structure will push this kind of relations more clearly noticeable because the authority of the project manager is the leader of projects consulting. Besides, Mr. Wei admeasures the project manager's position will be the detonation cord of relations break until he found a way to make them more active in job than the authority. Therefore, how would the relations of the functional manager and employees become after the change? Still like the answers were found in Q 12 (Appendix 2) said friendly? Furthermore, the function managers would like to talk with the President when faces the trouble (Q14, Appendix 2), where the new command and communication line still exit to the organization or still the President have every responsibility of management?

From the technique point of view, the resist to change to a project-based organization is positive. The functional managers would like to have training lesson, nice communication with the others, accept a new field of work, and have nice feeling to work in a team (Q10; Q11; Q13; Q16 Appendix 2). However, they do care about change the name of the professional title into project managers (Q15, Appendix 2). This means they don't mind work with the others together in a team for a project instead of they do mind " face". The functional managers would like to change their job description that can have more challenge, and the challenge is more important than bonus (Q17, Appendix 2). Employees are the people can accept the change and find interesting from the work. Besides, the capital of reorganization can find from bonus of

the last year which is before the implementation year of project-based organization.

5.2 Investigation from the questionnaires

How widespread the success or fail within the field of become the project-based organization may be is not known since the bulk of the evidence to date has been anecdotal in NCRBC. This research method addresses the problem of lack of data by providing a questionnaire of an investigation of job performance in using the system of project team work in NCRBC, the job descriptive index was a hand-delivered questionnaire. Finding indicate a relatively personnel performance in NCRBC as well as specific Chinese organizational culture with particular aspects of the job.

The job description index (Smith, Kendall and Hulin 1969) is the most widely used measure of job satisfaction extant, several studies on work satisfaction such as the work of Herzberg, Mauesner, and Synderman (1969) on motivation and hygiene factor can be referred (Kariau 2004). There are such factors as achievement, recognition, advancement, responsibility, growth, salary, etc., here. The job descriptive index consists of twelve items designed to measure respondent with the project-based organization.

The questionnaire (see Appendix 3) was segregated into two parts, company content and personnel. Respondents' employment demographic was analyzed toward their work experience and personnel preference. The company content consist of: the satisfaction of work collaboration; the satisfaction of the company image; the satisfaction of the leadership; the satisfaction of work return and the satisfaction of personnel work which lead to personnel preference. Personnel preference consists of: team work or individual work; work on schedule of a project or daily work; paid by the success of a project or monthly wages; listen to others or work on personnel way; emotions of transferring positive or negative; comparative psychology, where also give a view of comparing the function-based organization and the project-based

organization.

Questionnaires were sent to 50 staff members of the case company. The response rate was 100%, and 50 valid questionnaires. Demographic statistics of respondents were between male and female respondents, male was represented by 78% and female by 22%. By age distribution, respondents that categorized between 18 to 24 years old contributed by 14%; the age from 25 to 30 contributed by 34%; the age from 31 to 40 were 36 %; and the age over 40 are 8 persons, which account for16%. Questionnaire measure of job satisfaction five scale, were "strong disagree", "disagree", "neither agree nor disagree", "agree" and "strongly agree". To avoid mutual interference of various factors, the age, and sex were individual analysis as following:

In the relationship between gender and job satisfaction issues, male employee job satisfaction is higher than female employee because the different status. The key leadership position is male employees since this is short history of the company and employees are young. Hence, male employee has higher corporate responsibility and deeper emotion than female employee. In the relationship between age and job satisfaction, the age of over 40 is the most higher and the age from 25 to 30 is the lowest. Maybe from the ager 25 to 30, they have more responsibility for the family, marriage, and they have higher request for the organization culture, with the increase of age, the attitude and mind tend to calm.

The respondents were asked to indicate the value on their feeling on working satisfaction with the company is depicted in Table 3. Besides, in the Q1, Q3, Q5 (Appendix 3) of the questionnaire, the strongly disagree mean employees are strongly satisfied with company culture. Hence, the amount here would be little different than the amount in statistics of questionnaire (see Appendix 5). Almost 42% (t=126) of them indicated that they were not satisfied on the work satisfaction, and 23% (t=70) of them indicated that they were unknown or unsure on the work satisfaction. While there were still some respondents that were satisfied (35%, t=104).

Table 3 Work Satisfaction with the company content

Item	Times (Q1+Q2+Q3+Q4+Q5, Appendix 3)	Percent
Strongly agree	42 (0+21+0+11+0+0)	0.14
Agree	62(10+9+10+25+6+2)	0.21
Unknown	70(14+5+10+10+19+12)	0.23
Disagree	87(16+15+20+3+17+26)	0.29
Strongly disagree	39(10+0+10+1+8+10)	0.13

From the questionnaire results (3, Appendix 5), class nature consist in the staff members of NCRBC, where employees (52% or more) have the attitude that workers should separated in different level to work which means team work would be difficult to coordinated. Furthermore, the percentage of coordination ability is 60% (4, Appendix 5) that employees believed they have the ability of team work but the current situation is gradation, which the situation is changeable. Besides, 60 % (5, Appendix 5) have the attitude that the status of title stands for dignity that means they can work with the others, but face is much more important for working together. Moreover, 72 % (6, Appendix) believes the ability is in direct ratio to the wage. Although, 12 % of them believes renqing is an element of the manager to use people, where 4 % of them thought guanxi is more important than ability.

Therefore, guanxi and renqing is not important factors influence the project-based organization structure being used in NCRBC, but face, coordination ability, and the wage are the factors impact on the overall level of job satisfaction. The work itself is important, to build a reasonable employee evaluation system, give a reward according to the evaluation of the job, not only in wage, but also give the encouragement in honour and moral incentives. In addition, staff can provide greater opportunities to develop their talents, such as the change of the guard house and job.

The respondents were asked to indicate the value on their feeling on working satisfaction with the mode, time, payment and working style is depicted in Table 4.

Almost 55% of them indicated that they want to work in divisional work, and 24% of them indicated that they were unknown or unsure on the work style. Besides, there were some respondents that were satisfied with functional work. Hence, employees would like to work in the project-based system from the personnel interest that compare the function-based and project-based organization questions were indicated from Q 7 to Q 12 in Appendix 3. Furthermore, from the questionnaire results show (13, Appendix 5) 64 % would have negative emotion when the job had been changed, and 70 % of them agreed the comparative psychology exist in colleagues where employees will compare with the others if others had promotion or demotion.

Table 4 Work Satisfaction with personnel

Scale	Functional work (n)	<=? => (n)	Divisional work (n)
Work Mode (Individual or team work)	18	17	15
Work Time (schedule or daily)	9	5	36
Payment (project or monthly)	2	20	28
Working style (listen or own way)	13	6	31
Percentage	0.21	0.24	0.55

5.3 Discussion of the final inferences

According to the views of employees and employers, they are willing to become one of the project-based organizations. However, there are these individual factors influences the success transformation of project-based structure in NCRBC .They are firstly the distribution of power, (e.g. the leader in project work). Secondly, the investment of cost

(e.g. the money spend on training). Thirdly, the relations with others and trust or misunderstand of the Present. Fourthly, parochial self-interest (e.g. challenge), and contradictory assessments of the same process dependent upon one's vantage position within the organization. Fifthly, at the group level of analysis, resistance to change can be working relationships of colleagues and employers, which depend on the distribution of organizational power and authority, face to others. Finally, at the organizational level of analysis, the individuals decide to their working conditions, the powerful vested interest in maintaining the current equilibrium position, and challenge which is interest to work.

In the data analysis, the results show it is positive to implanting the project-based organizational structure in the case company. And in chapter 6, it will make the plan to lead the positive to use in more.

6 KEY AND PROCESS FOR CHANGE HAPPEN

This chapter will present the discussion of the processes for making the structure change in the case company, the analysis of empirical findings and compare the theory framework with the findings to figure out the solution for the research questions.

6.1 A system of organizational development

Wienclaw (2008) argues that the organizational design should help to support the various operations of the organization, not only impose new reporting structures, but also each function within the organization should be manageable by competent managers. In building sufficient and delegation of power should be considered in the organizational structure design. In order to circumvent potential future problems, the organizational design should also be much more flexible enough to accommodate the future needs of the organization. For example, the case company should consider the admeasurements of the power between the family member and project manager. Here, it is not about the choice from the family members who are trust by the President and the professor who have the ability in carry on the engineering. Besides, someone needs to be appointed to a team leader in projects and work in a team of different projects.

In addition, the issues of centralization versus decentralization are an important one and needs to be considered by the President of the case company in deciding how to compete. Another important part of it is the choice of the organizational structure so to have a winning strategy. What is more, Busco et al. (2008, 107) argue that the centralized structures can identify the canters of power and authority are outdated, new organizational structure with a multitude of centre of control are emerging. In the light of the rationale of change, it is of equal importance to understand the drivers which lead to the change. In the case company, the structure change is not a temporary change for a while, but daily working system which should not use the functional structure in

someday and change to use the project-based structure in another day.

Dill and Eyring (1973) propose a four-dimensional systems model of change illustrated and adapted in figure 5 to include organizational development process of change as a central component of this model. They assert that whist organizational development efforts four subsystems – structure, technology, people, or task (Dill and Eyring 1973; cited in King and Anderson 2002, 166-194).

Organization development (OD) is a set of behavioral science-based theories, values, strategies, and techniques. The techniques aim at the planned change of the organizational work setting for the purpose of enhancing individual development and improving organizational performance, through the alteration of organizational members' on-the-job behavior (Porras and Roberston 1992, 722; cited in King and Anderson 2002, 167). OD is a program of planed interventions that mobilizing resources to put the plan into action, and evaluate the effects. Thus, OD is helpful for organizational change. Besides, when the President choice the project manager from the people he trust and the people have the ability, he can think about the system model.
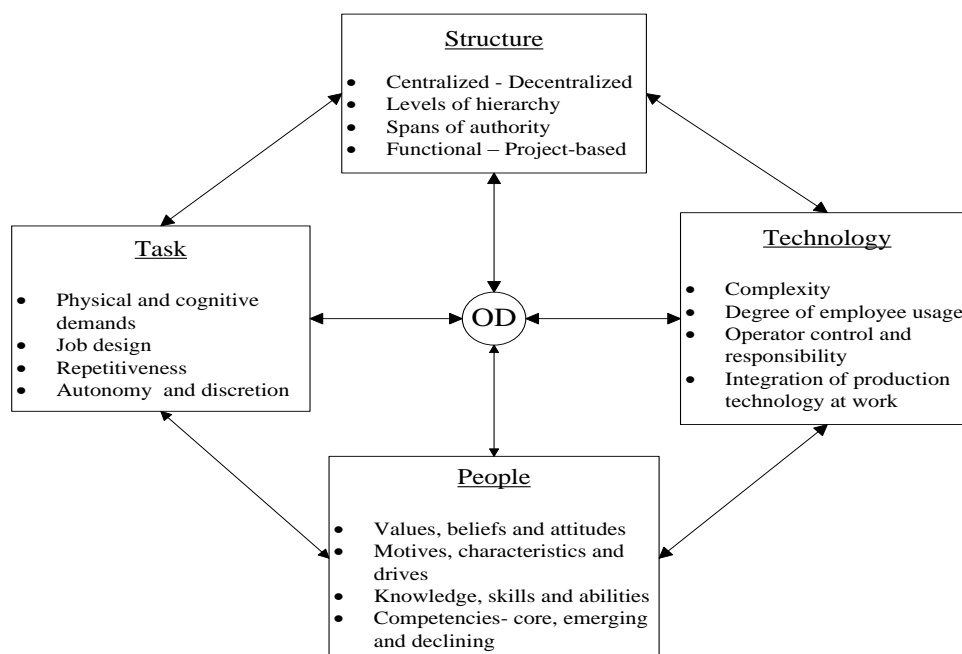
Figure 5 A system model of organizational development

6.2 The six strategies and technique for overcoming resistance

Kotter and Schlesinger's "Choosing strategies for change" represents perhaps the culmination of the "how to overcome resistance" theme, describing both the range of strategies available to managers for overcoming resistance and how to use each technique in particular circumstances. It shows the six strategies: communication, participation, facilitation, negotiation, manipulation and coercion. (Kotter & Schlesinger 1979; cited in King and Anderson 2002, 201.)

If change can be accomplished by utilizing only less intrusive techniques to the six strategies, the authors argue this should be the preferred approach (see figure 6). The resistance to change is likely to be more deeply rooted and tenacious, where the initiators possess the necessary power and authority, more potent techniques such as negotiation, manipulation, or even coercion, should be resorted (King and Anderson 2002, 201-203). This is dominated by pragmatic, managerial concerns to overcome resistance to change. There was little concern with the psychological impacts of change, the reasons why resistance emerges and processes through social psychological implications.

In communication part, it is the part of leading change. Firstly, involving staff members in the discussion and there is sufficient safety for people to give and receive feedback on their behavior. Secondly, providing information on the structure change, not only explain why and how the process will be, but the detail information for every staff members to know what they should do. For example, what kind of training and practice will be? Thirdly, presenting a rationale for the change, the company will become benefiter and staff members can also get the benefit from the change, in order to let the staff know and do not feel fear for change. Finally, communicating more with staff members after feedback are collected from them.

In participation part, it is the part of creating a shared need. Firstly, both parties are conscious of the autonomous workers and hierarchical managers, and also family

members and professor will participate in meetings. People respect each other's domain and do not trespass, where there is a negotiating or communication forum and the execution of the decisions – team rules. Secondly, compartmentalizing clearly of the power, where project leader (manager) will be the top superior in guiding the team work in the separated projects. Furthermore, every member has the power in individual field, and they do have the contribution in projects work. Finally, the project managers have the responsibility on guiding every members of the project team in their contribution, but there should be have negotiation between every project members.

In facilitation and negotiation part, they are the part of shaping a vision and mobilizing commitment. Firstly, explore areas of resistance in staff members, for example, family members or other staff may get together to complain about the project manager. The power of the project managers can decide the job family members have to do, while the more respect the family members want. Secondly, persuade both parties to climb-down in being project manager, to see the mission and vision of the company as the goal of work. Thirdly, build the organization culture, to help each other in project team work and see each other as one. Praise every member of the project team when project work is successful. Finally, increase the extent of criticism the members who have no contribution or avoidable mistake.

In manipulation and coercion part, they are the part of building enabling systems, monitoring and demonstrating progress. Firstly, use the milder manager and the family elder to manipulate compliance. Secondly, make a job satisfaction form to develop the new structure. Make a bonus form for successful project team work. Finally, make impersonal rules and impersonality of interpersonal relationship.

Communication

Participation

Facilitation

Negotiation

Manipulation

Corecion

Increase salience or potency of approach

- Provide information on the change
- Present a rationale for the proposals
- Educate employees of benefits to allay fears
- Challenge misrepresentations of the change process

- Involvement of staff groups affected by change
- Participation in decision making, either core or peripheral
- Gaining wider commitment to the change process

- Exploring areas of resistance
- Persuading for commitment to the change
- Facilitating attitude and behaviour change

- Formal and informal negotiation to overcome resistance
- Potential use of third-party arbitration

- Use of position power to manipulate behaviour without compliance
- Combination of actual and potential threats with actual and potential rewards for compliance

- Explicit or implicit coercion
- Threat for compliance
- Written notice of termination of contract failing compliance

Figure 6 Contingent approaches for overcoming resistance to change

7 CONCLUSION AND DISCUSSION

This part will present the conclusion of this study, which has been drawn with the views of the research questions. In addition, the discussion for the Thesis will be presented as well.

7.1 Conclusion

This study presents a framework to study transformation of the function-based organization in the case company to a project-based organization. The purpose of this thesis is to answer the research questions.

RQ1: How will the organizational structure change affect the performance of the case company?

The principle of the transformation of the organizational structure change is relevant with the current situation analysis for the case company. The structure change breaks down barriers across departments and improves cooperation, and also being enables to more quickly adapt to construction projects request and environment change. The employees share the specific professional skill in project-based organization, where the employees can have excellent coordination, a strong communication channel, and frequently decisions making. Structure, technology, people and task are along with the management of organizational structure change. As a result, the effective organization structure consist of project-based organization is strongly needed for case company.

RQ2: How will the organizational structure change influence the cultural aspect of family interests in the case company?

Organizational culture influences the staff members' attitudes in the case company within the processes of organizational change by providing a reservoir of organizational meanings against results, experience and performance data are interpreted. The processes of organizational change inquiries about changes in procedures and program technologies can proceed. The organizational culture of the case company is highly collectivist, manifest in a close and committed member group. In the case company, the President takes responsibility for fellow members of his group. However, the change is largely based on the distribution of power. Furthermore, it is necessary to give the responsibility to the project managers in guiding project teams. Besides, the family members may not have the ability to be the middle manager and the President of the case company does care about them according to the guanxi networking system in the case company. Therefore, the relations between with the family members and project manager, and also trust or misunderstand of the President are the factors influence the change. In addition, family members and also other staff members have powerful vested interest in maintaining the current equilibrium position when thinking about the factor of "face".

RQ3: Why a different management style is necessary to lead the case company through the change process?

The organizational structure change influences the working performance of employees in the way of communication and coordination. The need of communication and coordination has equal access to the organizational structure change. On the basis of the structure change, the case company seems to be close to the Western business approach, from the change of the main purpose point of view. The organizational structure change impact on the cultural aspect of family interests in the case company, as the result of sacrifice the family members' interest into serving the company's benefit, the different management style should be. In other words, it is necessary to have a different management style toward to current serving family members' interest as the main purpose of the case company.

7.2 Discussion

This Thesis provides an empirical analysis of the factors influence the transformation of the organizational structure in a Chinese construction company. The project-based organizational structure is suggested which should be considered for the organization development in the case company. The organizational structure (system) change is a major overhaul of the organization resulting in a modified and entirely new mission, a change in strategy, leadership and culture. The management of change is therefore closely connected to technological advances as technology helps to create the framework within which the changed organization will operate. Typically, change consists of a new system for operation, which provides a system to improve the quality of project work or to improve decision-making. I attempt to further the analysis of employee job satisfaction in implementing the project-based organizational structure. I used data from the 2010 Workplace Employees Job Satisfaction in the current function-based organizational structure.

The main finding can be summarized is employees tend to resist change as they do not understand the change or do not agree with the new direction that management is taking. Executive the acknowledge from employees' side to change management can take important first steps to a positive outcome by following advice:

- Focus on people: employees need to be part of the project that their opinion needs to be taken into consideration in order to avoid the resistance to crush the project.
- Communicate strategic messages: Corporate communications play a key role in any management strategy.
- Combine communication and training: New company management systems and processes affect the way people work. Training is of major importance which includes self-help, e-learning, local experts to provide group or individual training.

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APPENDICES

INTERVIEW QUESTIONS   Appendix 1

Interviews from Mr. Wei (the President of the company)

General questions:

1. How do you see the company's business structure in today's operating environment (technology, market conditions and government policies)?

2. What are the key characteristics of the organizational structure in your company?

3. Do you think the current organizational structure suitable for the company's operating environment and strategy?

4. Do you think the work between the departments is coordinal?

5. Do you think the organizational structure should adjust to another, what's your opinion?

6. What kind of problems do you think the company will face when implement the changes in organizational structure?

Pertinence questions:

7. What is the most useful criticism you've ever received? Why?

8. What is your expectancy of using the organizational structure?

9. Would you like to change into the better one, if the current organizational structure is not profitable for your company in intense competitive environment?

10. If the better one needs renew the function of every employee, would you consider their contribution for the company before?

11. Why it is difficult to change?

12. Would you accept spend time and resource in training people as an investment? Who are they?

13. How do you evaluated the employee's' work performance?

14. How do you treat and keep the best people? Would you like to give the bonus?

PANEL INTERVIEW QUESTIONS   Appendix 2

General questions:

1. How do you see the company's business structure in today's operating environment (technology, market conditions and government policies)?

2. What are the key characteristics of the organizational structure in your company?

3. Do you think the current organizational structure suitable for the company's operating environment and strategy?

4. Do you think the work between the departments is coordinal?

5. Do you think the organizational structure should adjust to another, what's your opinion?

6. What kind of problems do you think the company will face when implement the changes in organizational structure?

Pertinence questions:

7. How could you describe the management theory of the CEO in your company?

8. Would you like to give some suggestion for the management theory to the CEO?

9. What is your expectancy if the CEO wants to change the current organizational structure?

10. Would you accept a new field of work while it needs more training lessons? Or you are satisfied with current job?

11. Would you accept a new field of work instead of current job with the same payment?

12. How are the relationships with the staff members in your place?

13. How is the communication with the other functional managers?

14. Who would you like to talk with when faces the trouble?

15. Do you mind change the name of the professional title?

16. What is your feeling if you have to corporate with the other managers or staffs at the same project in a team?

17. What kind of situations will activate your working performance? Bonus, challenge or competition?

QUESTIONNAIRE   Appendix 3

Questionnaire for employees: this questionnaire is just for academic study, and will not

be publish to other people.

Name: _____   Sex: ☐ Male   ☐ Female

Age: ☐ 18-24   ☐ 24-30   ☐ 31 -40   ☐ Over 40

INSTUCTIONS

Please circle your response to the items. Rate aspects of the company on a 1 to 5 scale:

1= "Strongly disagree," or the lowest, most negative impression
3= "Neither agree nor disagree," or an adequate impression
5= "Strongly agree," or the highest most positive impression

COMPANY CONTENT (Circle your response to each item.)

1= Strongly disagree   2= Disagree   3= Unknown   4= Agree   5= Strongly agree

1. Class nature consists in the staff members of the company?   1 2 3 4 5
2. The work among interdepartmental staff is mutually supportive?   1 2 3 4 5
3. The status of title stands for dignity (face)?   1 2 3 4 5
4. Ability is in direct ratio to the wage?   1 2 3 4 5
5. Renqing is an element of the manager to use people?   1 2 3 4 5
6. Ability is higher than renqing when the manager selects people?   1 2 3 4 5

PERSONNAL (Circle your response to each item.)
Please circle your response according to your wish.

7. Prefer to work on my own rather than team work?   1 2 3 4 5
8. Prefer to work on schedule of a project rather than daily work?   1 2 3 4 5
9. Prefer to be paid by melon-cutting rather than monthly wages?   1 2 3 4 5
10. Compared with listen to others, prefer to work on my own way?   1 2 3 4 5
11. Transferring will causes negative emotions?   1 2 3 4 5
12. Comparative psychology exists in colleagues?   1 2 3 4 5

SUGGESTION (If you have any suggestion or advice, please write down.)

Thank you for your work!!!

THE CURRENT ORGANZATIONAL STRCUTURE

Appendix 4

Nanchang City Road & Bridge Construction CO., Ltd
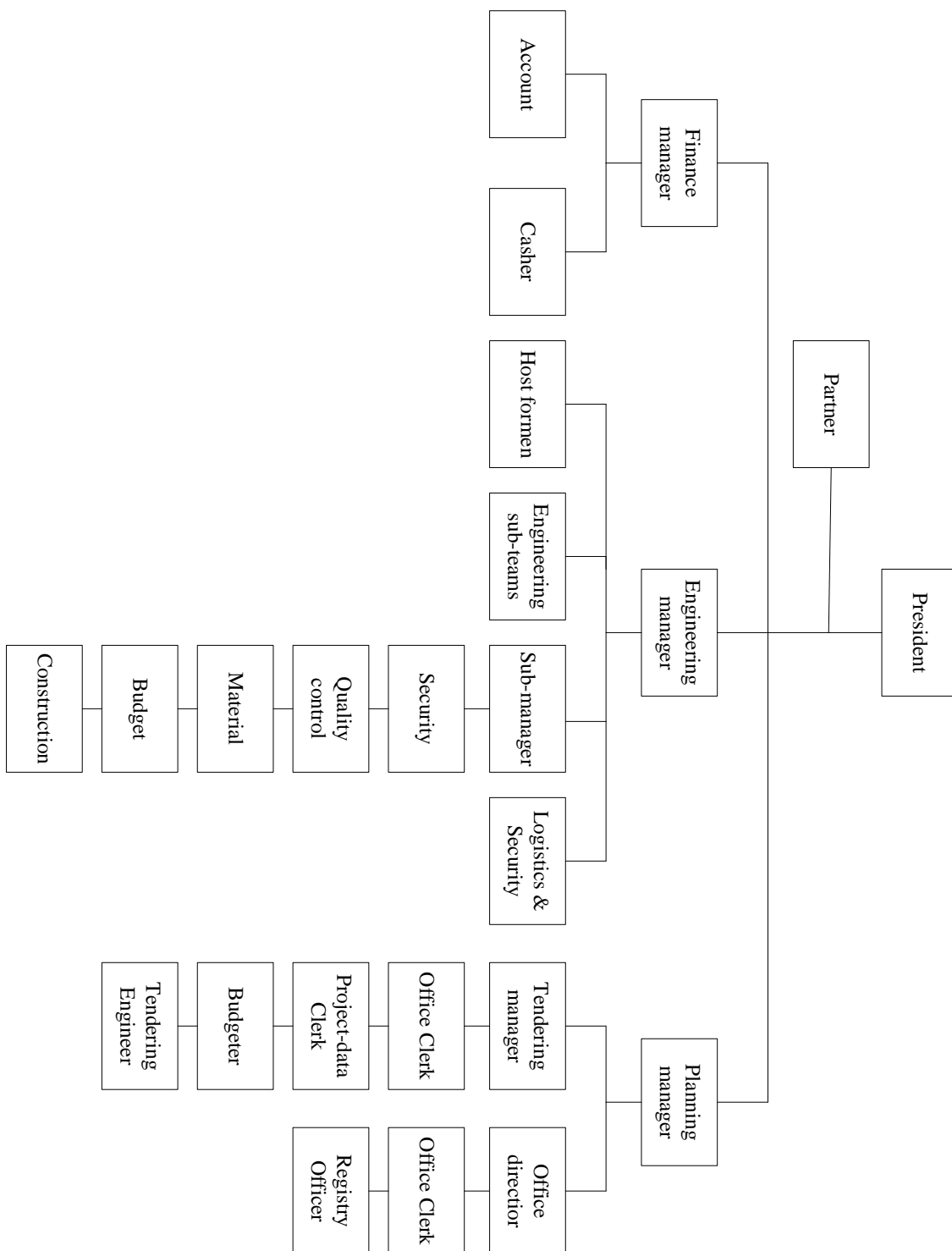
STATICS OF QUESTIONNAIRE   Appendix 5

1 (3)

Delivered to 50 employees, 50 responses received.

1. Age

- 18-24 — 7, 14%
- 25-30 — 17, 34%
- 31-40 — 18, 36%
- >40 — 8, 16%

2. Gender

- Male — 39, 78%
- Female — 11, 22%

3. Class nature

- Strongly disagree — 0, 0%
- Disagree — 10, 20%
- Neither agree nor disagree — 14, 28%
- Agree — 16, 32%
- Strongly agree — 10, 20%

4. Coordination ability

- Strongly disagree — 0, 0%
- Disagree — 15, 30%
- Neither agree nor disagree — 5, 10%
- Agree — 9, 18%
- Strongly agree — 21, 42%

5. Face

- Strongly disagree — 0, 0%
- Disagree — 10, 20%
- Neither agree nor disagree — 10, 20%
- Agree — 20, 40%
- Strongly agree — 10, 20%

6. Ability equal payment

- Strongly disagree — 1, 2%
- Disagree — 3, 6%
- Neither agree nor disagree — 10, 20%
- Agree — 25, 50%
- Strongly agree — 11, 22%

7. Renqing

- 0 0% Strongly disagree
- 6 12% Disagree
- 19 38% Neither agree nor disagree
- 17 34% Agree
- 8 16% Strongly agree

8. Ability > Renqing

- 0 0% Strongly disagree
- 2 4% Disagree
- 12 24% Neither agree nor disagree
- 26 52% Agree
- 10 20% Strongly agree

9.Individual work > Team work (work mode)

- 5 10% Strongly disagree
- 10 20% Disagree
- 17 34% Neither agree nor disagree
- 13 26% Agree
- 5 10% Strongly agree

10. Work on schedule of project > daily work

- 2 4% Strongly disagree
- 7 14% Disagree
- 5 10% Neither agree nor disagree
- 26 52% Agree
- 10 20% Strongly agree

11. Paid by success of project > monthly wage

- Strongly disagree
- 2 4% Disagree
- 20 40% Neither agree nor disagree
- 16 32% Agree
- 12 24% Strongly agree

12. own way > listen to others (need of command)

- 2, 4 % — Strongly disagree
- 11, 22 % — Disagree
- 6, 12 % — Neither agree nor disagree
- 21, 42 % — Agree
- 10, 20 % — Strongly agree
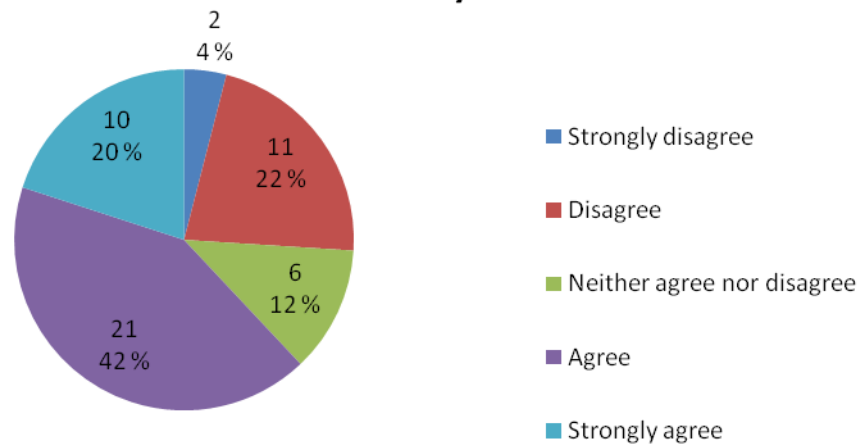
13. Negotive emotion (adjustment)

- 3, 6 % — Strongly disagree
- 2, 4 % — Disagree
- 13, 26 % — Neither agree nor disagree
- 20, 40 % — Agree
- 12, 24 % — Strongly agree
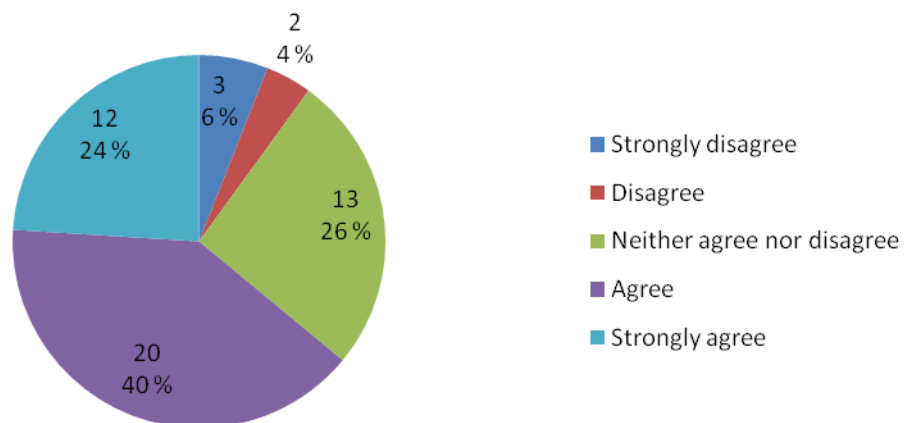
14. Comoarative psychology

- 2, 4 % — Strongly disagree
- 3, 6 % — Disagree
- 10, 20 % — Neither agree nor disagree
- 28, 56 % — Agree
- 7, 14 % — Strongly agree