Organizational change – prevalence, consequences and the role of leadership
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Organizational change has become the rule rather than the exception (Kieselbach et al. 2009). This statement sets the stage for an influential discourse related to how managers and employees may actually experience changes in their organizational context.

Organizational change has been associated with a series of potentially negative outcomes at both organizational and individual level, e.g. intention to quit (Holt et al. 2007; Oreg 2006), absenteeism (Martin et al. 2005), productivity and health care expenses (Mack et al. 1998), experienced time pressure and psychological well-being (Probst 2003), job satisfaction (Amiot et al. 2006; Holt, Armenakis, Feild, & Harris 2007; Oreg 2006) and stress (Axtell et al. 2002).

Many of these findings are however based on cross-sectional studies and cannot account for true causal relationships. Scientific rigour would instead prescribe longitudinal investigations of cause and effect, preferably with data from a variety of sources to avoid common source bias. While this is unquestionable good scientific practice, we suggest an alternative approach that integrate good scientific practice with both practical relevance and face-value for the broader society.

First, statistics on the prevalence of organizational change both within private and public organizations are either non-existent or insufficient. To compensate for this we investigate the prevalence of large organizational changes (such as mergers, downsizing, relocations) in a representative sample of the Danish working population. Second, we investigate what we define pseudo-effects of such changes. We do so by asking respondents directly about their experienced consequences of large organizational changes. While experienced consequences of work-related events such as organizational changes relate to the subjective, we propose not to try to eliminate this subjectiveness in the scientific study thereof, but instead to include it into the measure itself and thereby acknowledge the importance of perception (Buelens et al. 2011).

Research on organizational change support the position that the process of organizational change and how managers succeed to lead employees through the change is of significant importance (Hayes 2014). We therefore also investigate the role of employees’ perception of the quality of the change process, how the change has been managed and whether they perceive the change as a positive event.

Public and private organizations are often described as fundamentally different due to environmental characteristics (such as the intensity of political influence), transactions between organization and environment (such as the production of public goods), and the structures and processes of organizations (such as the clarity of organizational goals and the amount of bureaucracy) (Rainey 1997). This has had some spill-over to the change literature, in which questions have been raised as to differences in prevalence and consequences of organizational changes (Kuipers et al. 2014; Voet 2014). Addressing the lack of empirical evidence in this matter, we compare the prevalence and experienced consequences of organizational change in public and private organizations.

Methods - procedure and participants
Panel data were collected in October 2013. Based on information from Statistics Denmark, the panel is a representative sample of the Danish working population with regard to age, gender, region and sector. Invitations to participate in the project were sent out to panel lists matching the sampling profile of the study. This means that the sampling is stratified, but with random selection within strata. 2,000 responses were collected electronically, hero 1,000 from public and 1,000 from private organizations. In order to
have sufficient power within the public sector, we increased the public sector responses wherefore the public-private distribution is disproportional for the public sector. The response rate for the panel is 65%.

Findings
Significantly more respondents in the private sector state that they several times have experienced lay-offs, re-organizations and closures/relocations/outsourcing within the past two years.

With regard to the experience of the organizational changes as such it seems that private sector employees have a more positive experience of the leadership and change management performed. Private sector employees report to a significantly higher degree that they have experienced to be informed about the purpose of the changes and the changes as such, to be involved in the change process, to receive sufficient support from their manager in relation to the changes. Further, private sector employees report to a significantly higher degree to have experienced the changes as a positive process in which they were generally satisfied with the way management implemented the changes, they had an understanding of managerial reasons for implementing the changes, trusted that management had good reasons for and competence to implement changes and that changes were implemented in a just way.

Across sectors, significantly more respondents report that the experienced changes have resulted in less support from their manager, trust in management, just treatment, well-being at work and higher sickness absence, risk of losing their job and work load.

As compared to the private sector, the public sector respondents experience to a significantly higher degree (as a consequence of organizational changes) a decrease in: support from their manager, trust in management, just treatment, well-being at work and an increase in: sickness absence, risk of losing their job and work load. The private sector employees experience (as a consequence of organizational changes) a significantly higher degree of influence at work.

Discussion of implications
Our prevalence findings suggest that while private sector employees experience more organizational change, they simultaneously experience that the changes are well implemented by management. On the consequence side the public sector employees report significantly more negative consequences of change in terms of reduced managerial support, trust and justice, wellbeing and increased sickness absence, job insecurity and work load.

Whether this finding is related to differences in private-public sector employee characteristic or simply better change management and leadership in the private sector is not a question our data can answer. In the first case, recruitment policies and approaches in the public sector would be one way to diversify and potentially decrease a spill-over of negatively experienced consequences between public sector employees. In the second case, the public sector may be able to benefit from the change management and leadership approaches applied by the private sector.
References


