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Leadership & Organizational Change

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**Leadership
and
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In recent years, change has occurred within almost all organizations. Downsizing, relocations, restructuring, technological changes, mergers, process-oriented changes and people-oriented changes are happening on a daily basis. Therefore it is necessary to study the influence organizational change has on important organizational variables. We conducted a study examining reactions to different types of organizational change. We specifically looked at the extent to which employees trust their organization during different types of organizational change.

We used an online survey program to collect our data and recruit respondents through a nonprofit academic service, StudyResponse project (Stanton & Weiss, 2002). As of April 2011, 49,600 individuals were registered with the StudyResponse service and approximately 26,000 of them were employed. Approximately 400 employees were sent a survey link by email. Email recipients were asked to complete the survey to contribute to knowledge in both research and practice on leadership and were offered \$5 compensation at two different points in time. One survey link was sent in August 2010 and a second survey link was sent in November 2010. Of the email recipients, 347 completed the first survey at Time 1, with a response rate of 87 percent; 323 completed the second survey at Time 2, with a response rate of 81 percent. Participants were asked if their organizations were undergoing change at Time 1 and asked again if their organizations were still undergoing change at Time 2. At Time 2, 222 of the participants were involved in organizations that were still undergoing change (69 percent of the respondents at Time 2).

Our sample was very diverse in terms of education level, occupation and position. The study participants came from multiple disciplines ranging from entry-level jobs to managerial positions. 37 percent of the sample held no supervisory responsibilities, 26 percent supervised first level, 26 percent management, 7 percent director/vice president, and 3 percent senior vice president or above. Ninety-three percent of the population was fully employed. The average organizational tenure for the sample was 9 years and the average work field tenure was 11 years. The average Leader-Member dyad tenure was 48 months. Seventeen percent of the sample held high school diplomas, 9 percent associate's degrees, 41 percent bachelor's degrees, 5 percent post-baccalaureate degrees, 20 percent master's degrees and 4 percent doctorates. Participants were 52 percent male and 37 percent were between the ages 22 to 34, 26 percent 35 to 44, 21 percent 45 to 54, 13 percent 55 to 64, and 2 percent 65 and older. Seventy percent of the sample was Caucasian, 5 percent African-American/Black, 6 percent Asian-American, 9 percent Hispanic/Latino, and 8 percent reported other race/ethnicity.

Participants were asked to specify if their organizations had undergone any change, and if so, to specify the changes that their organizations experienced. Fifty-nine of the respondents experienced change and 51 percent were currently experiencing change. 29 percent experienced restructuring, 24 percent downsizing, 22 percent technological, 18 percent people-oriented, 12 percent process-oriented, 8 percent relocation, and 7.5 percent merger. They were then asked to rank the changes that occurred in their organizations from largest (having the most impact on them personally) to smallest (having the least impact on them personally). Sixteen percent ranked downsizing as the largest. The participants were subsequently asked to specify the change that had directly impacted them the most, and were told to focus on this single change for the rest of the survey. Thirty-one percent chose restructuring and another 29 percent chose to focus on

downsizing. The participants were also asked how long ago the change occurred (within the last three months, three to six months ago, or 12 or more months ago). Thirty percent experienced change within the last three months, 26 percent in the past three to six months, and 16 percent in the past 12 or more months. They were asked to specify if the change had a direct impact on them, their co-workers, their manager/supervisor, and/or others. Fifty-seven percent indicated that the change had a direct impact on them, 63 percent direct impact on co-workers, and 46 percent direct impact on manager.

Therefore, organizational change has an impact on those who are experiencing it. A large sample of employees experiencing high levels of trust in their organization indicated that the most significant change in their organization was restructuring. Most of those with a medium level of trust in their organization specified that downsizing was the greatest change in their organization. Of the participants who had high or medium trust in their organization, most indicated they were experiencing one type of change. However, those with low trust in the organization tended to have two different types of organizational change. These results suggest that individuals have the tendency to trust their organization when one type of change is occurring. However, this trust declines when multiple types of changes are occurring.

		Type of Organizational Change						
		Downsizing	Relocation	Restructuring	Technology	Merger	Process-Oriented	People-Oriented
Trust in the Organization	Low Trust	9	1	10	7	0	2	1
	Medium Trust	20	4	16	8	3	2	2
	High Trust	13	4	21	10	4	5	9
	Total	42	9	47	25	7	9	12





