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Perceived Need for Change: A Test of Individual Emotion and Contextual Influences

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**PERCEIVED NEED FOR CHANGE: A TEST
OF INDIVIDUAL EMOTION
AND CONTEXTUAL INFLUENCES**

THESIS

Gregory D. Hammond, Captain, USAF

AFIT/GEM/ENV/09-M06

**DEPARTMENT OF THE AIR FORCE
AIR UNIVERSITY**

AIR FORCE INSTITUTE OF TECHNOLOGY

Wright-Patterson Air Force Base, Ohio

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AFIT/GEM/ENV/09-M06

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AND CONTEXTUAL INFLUENCES

THESIS

Presented to the Faculty

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In Partial Fulfillment of the Requirements for the

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Captain, USAF

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Abstract

By investigating organizational change as a change to the status quo as opposed to an explicit change program, this study explored antecedents of a *perceived need for change*, defined as an individual attitude to actively support a general change to the status quo within the context of a specific process. This cross-sectional study investigated the individual attitudes of construction service providers (n = 193) as their headquarters announced that a change to an existing process would soon be developed. Utilizing hierarchical regression, employees were found to recognize a perceived need for change when they experienced low levels of perceived organizational support, felt positive emotions towards the change to the status quo, and believed that customers had a poor view of the organization's service quality.

Among the managerial implications, first, it supports previous research regarding the importance of emotion in the internalization of change programs. Second, the negative relationship between perceived organizational support and perceived need for change suggests that employees respond to the organization as a system, not necessarily to the stated desires of management. Lastly, it suggests that employees may be ready to act on feedback from customers if they were given an opportunity to do so.

For my children

Acknowledgments

For a long time, the thought of accomplishing my thesis was more a hope than a reality. I started out with an idea, but no money and no research sponsor. With the help of Dr. Alfred Thal, and after several cycles of the research being on and off, I was able to secure the support of Col. Teresa Carter, AMC/A7. I want to express my sincere appreciation to them because they made this research possible. While they gave me the opportunity to do the research, I would not be where I am now without the help of Lt. Col. Dean Vitale, my thesis advisor. He endured frequent sessions with me as we discussed my work and I am grateful for his guidance. He was an ideal thesis advisor because he stimulated my thoughts without giving me the answers. SMSgt Rodney Hicks, was my point-man at AMC, and I am thankful to him. He was always willing and glad to help me out. I am also thankful for the help that Lt. Col. Daniel Holt provided me. His candid feedback taught me about academic writing and forced me to better focus my thoughts on paper. Lastly, but most importantly, I wish to express gratitude to my wife. She listened, counseled, corrected, supported, and celebrated. As I think about the whole thesis experience, this line expresses my feelings: "for we walk by faith, not sight" (2 Corinthians 5:7). There were many days when I was not sure if I was going to be able to accomplish all of my research goals. During those times, all I had to rely on was a belief that everything would work out, and I would be successful. Things did work out with the help of these talented individuals. Thank you.

Gregory D. Hammond

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PERCEIVED NEED FOR CHANGE: A TEST OF INDIVIDUAL EMOTION
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I. Introduction

"Change has changed." (Hamel, 2002, p. 5).

It has become axiomatic; constant change is required to increase performance, or even

survive, in today's business environment. Yet, despite this mandate for success, only a third of

organizations implementing change achieve real performance improvement (McKinsey, 2008).

Planned organizational changes, such as the implementation of new processes, fail for many

reasons. Few of those reasons are as important as employee attitudes toward the change (Jones,

Jimmieson, & Griffiths, 2005; White, 1996). A cultural shift, created by changing the attitudes

and behaviors of front-line workers, must transpire in order to ultimately change a business

outcome within a company (Armenakis, Bernerth, Pitts, & Walker, 2007; Koys, 2001).

Considerable research has been devoted to understanding, and then managing, the

dynamics of the organizational change process required to change attitudes and behaviors (e.g.,

Armenakis, Harris, & Feild, 1999; Hiatt, 2006; Judson, 1991; Kotter, 2005). In some of the

earliest work, Lewin (1947) conceptualized organizational change in three stages: unfreezing the

current processes, changing to a new process, and refreezing to make the change permanent.

Lewin's concept has been further developed in the change literature and presented as readiness

for change, adoption, and institutionalization (Armenakis et al., 1999). According to Armenakis

et al. (1999), readiness for change is a "cognitive state comprising beliefs, attitudes, and

intentions toward *a* [italic added] change effort" (p. 103), meaning a single change effort. In

fact, a review of change models reflects the description of change as a focal phenomenon.

Certainly there are instances when a change is so large or fundamental that it occupies the participants fully (cf. Teerlink & Ozley, 2000). Organizational reality, however, is that often a multitude of changes are ongoing at any given moment (Clegg & Walsh, 2004; Stensaker, Meyer, Falkenberg, & Haueng, 2002). While, historically, organizations have faced single focal changes, now they are facing constant change (Kotter, 2008). Within industry, this concept of constant change has been referred to as "moving at the speed of thought" (Freyer & Stewart, 2008, p. 76). Lawler and Worley (2006) suggest that in an era of constant change, the current paradigm of change management with its steps of unfreezing, changing, and refreezing is outdated. The existing theory and practice of change management which "explicitly encourages organizations to seek alignment, stability, and equilibrium" may be counterproductive (Lawler & Worley, 2006, p. 3). Indeed, Lawler and Worley argue that rather than creating change efforts, organizations should be "built to change" (p. iii).

The present research explores the attitudes of organizational members relevant to a constant state of change. This individual attitude, termed *perceived need for change*, comprises affective, cognitive, and behavioral components to actively support a general change to the status quo within the context of a specific process or system. For an individual to experience a perceived need for change, he or she must know that the current way of doing business is no longer sustainable and be willing to act to make it better. An individual's acting to improve process flaws, without a full knowledge of the change, is what allows organizations to thrive in environments of constant change (Kotter, 2008). The development of a culture that promotes a perceived need for change is critical for organizations to thrive in continuous change (Armenakis, Harris, Cole, Fillmer, & Self, 2007; Drucker, 1993; Dutton & Duncan, 1987; Kotter, 2008). Thus, the present study is interested in understanding how a perceived need for

change forms. This interest in perceived need for change is a refinement of the extensively

studied empirical relationships between attitudes and readiness for change, when the change is

known and defined (e.g., Amiot, Terry, Jimmieson, & Callan, 2006; Bordia, Restubog,

Jimmieson, & Irmer, 2007; Rousseau & Tijoriwala, 1999). However, the literature is scarce

regarding attitudes and readiness for change when the change is defined only as a departure from

the status quo (for some exceptions, see Cunningham et al., 2002; Jimmieson, Peach, & White,

2008). To study perceived need for change, the present research adapts the traditional models of

readiness for change from a perspective of explicit change to one that gauges intentions to

support change. Using such a conceptualization, three potential antecedents of perceived need

for change are explored at the individual attribute level: perceived organizational support,

change-focused emotion, and perceptions of service quality. The variables and relationships

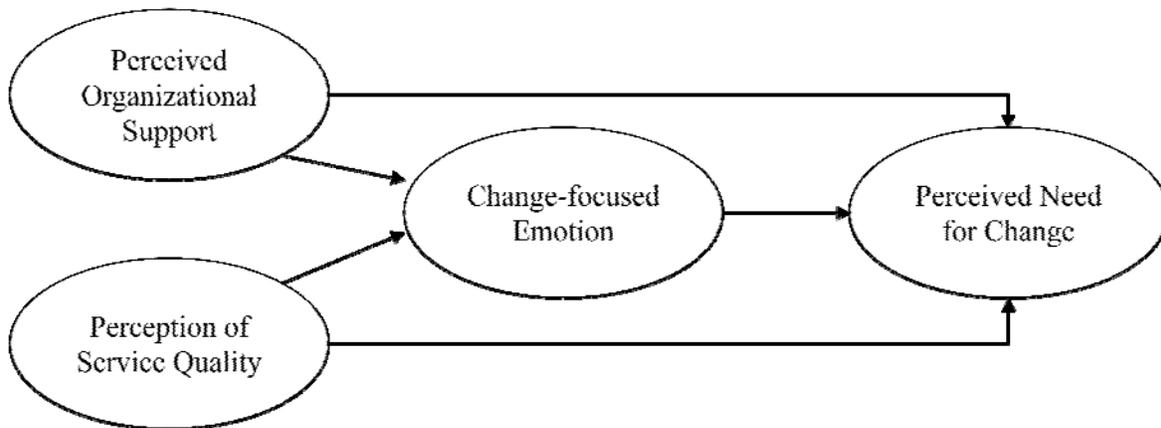tested in this study are illustrated in Figure 1.

Figure 1. Theoretical model.

II. Literature Review and Hypothesis

Readiness for Change

Individual readiness for change. An individual's openness toward impending change,

also termed *readiness for change*, or *resistance to change* (Jimmieson et al., 2008), is an attitude

(Armenakis, Bernerth et al., 2007; Holt, Armenakis, Harris, & Feild, 2007). As attitudes, or

evaluative statements reflecting one's feelings toward a target (Breckler, 1984), may predict

future behaviors (Sutton, 1998), understanding an individual's readiness for change is of utmost

importance to management as they seek to manage organizational change (Armenakis, Bernerth

et al., 2007). Attitudes consist of affective, behavioral, and cognitive components; these three

components are closely related and influence each other (Breckler, 1984). The concept of

readiness for change is generally described as a cognitive state shaped by behavioral, cognitive,

and affective components (cf. Armenakis et al., 1999; Holt et al., 2007; Oreg, 2003; Oreg; 2006;

Smollan, 2006). The cognitive component of readiness for change is activated when a change

recipient considers if there is a problem with the status quo as proposed by management

(Rousseau & Tijoriwala, 1999). An affective response to a similar proposed change is the

development of the change recipient's positive or negative feelings toward the change

(Mossholder, Settoon, Armenakis, & Harris, 2000). Lastly, a change recipient's behavioral

responses to a change effort could range from advocating implementation to demonstrating

active resistance (Stensaker & Meyer, 2008).

The perceived need for change described in this study can be viewed as being similar to

state readiness for change defined by Holt et al. (2007), in that both descriptive concepts posit

that a change recipient's readiness for change varies over time. The transient nature of these

change readiness attitudes is a result of four factors influencing the behavioral, cognitive, and affective components. These four factors are: (a) the attributes of the change initiative itself, (b) the implementation actions, (c) the context of the change, and (d) the individual attributes of employees implementing the change (Holt et al., 2007). Understanding the make-up of these factors of readiness for change is important for managers as they comprehensively plan organizational changes (Self, Armenakis, & Schraeder, 2007). By preparing individuals for change organizations are able to more successfully implement change (Holt, Armenakis, Feild, & Harris, 2007

Communication and employee participation are two methods consistently recognized as implementation actions that increase the change readiness of individuals (Amiot et al., 2006; Armenakis & Harris, 2002; Holt, Armenakis, Feild, & Harris, 2007). Within the Armenakis et al. (1999) model of creating readiness for change, there are five salient issues which should be communicated in order to increase readiness for change. These core issues, collectively termed the *change message*, are described as *discrepancy*, *appropriateness*, *principle support*, *personal valence*, and *efficacy*. Discrepancy, also known as a sense of urgency or burning platform (Kotter, 2005), is the recognition of a problem with the status quo. Appropriateness is the concurrence that the proposed solution to the discrepancy is the correct solution. Principle support is the belief that both formal and informal leaders within the organization support the change. Personal valence is the perceived personal benefit arising from the organizational change. Finally, efficacy is the belief that the individual and organization is capable of making the change. The relative importance of each element of the change has not been empirically tested (Armenakis, Bernerth et al., 2007). Support for the relationship of the change recipient's

perceived discrepancy and the success or failure of the focal change, however, is recorded in numerous theoretical and case studies (for a review, see Armenakis, Bernerth et al., 2007).

Perceived need for change. Isabella (1990) proposes a model of understanding change from the perspective of organizational members which unfolds in four successive stages: (1) anticipation, (2) confirmation, (3) culmination, and (4) aftermath. During the first stage, anticipation, members know that change is afoot but have only rumors and tidbits of information to make sense of the situation. Next, during the confirmation stage, individuals begin to utilize preprogrammed cognitions to make sense of the situation. In the culmination stage, the change is defined and implemented, and organizational members redefine their frames of reference. Lastly, the change is evaluated in the aftermath stage. Applying Isabella's taxonomy of perceptions of focally-oriented change, readiness for change is generally conceptualized as taking place during the culmination stage (eg., Armenakis et al., 2007; Hiatt, 2006; Holt, Armenakis, Feild, & Harris, 2007; Judson, 1991).

Perceived need for change, however, is conceptualized as occurring in the earlier stage of confirmation, when the actual change remains undefined, and there is limited information available for sense making. Thus, perceived need for change occurs prior to the revelation of the focal change. Separating a perceived need for change from the focal change is supported by Holt, Armenakis, Feild, and Harris (2007), who propose that discrepancies should refer to "a" change to the status quo, rather than "the" change. As the purpose of the present study is to understand the formation of perceived need for change, readiness for change will be explicated during the beginning stage of confirmation. Investigation during the confirmation stage allows for the isolation of perceived need for change because certain readiness for change factors (change attributes and implementation plans) are not yet known. Hence, at this early stage, prior

to the introduction of the focal change, readiness for change consists only of organizational contextual elements and individual attributes. Moreover, the two remaining factors of context and individual attributes are necessary in the formation of a perceived need for change. Together, these two elements allow an individual to experience perceived need for change with its cognitive and affective components (e.g. Armenakis, Bernerth et al., 2007; Kotter, 2008; Oreg, 2003).

Emotion

Emotions have innate action tendencies (George & Jones, 2001; Lazarus, 1991; Liu & Perrewé, 2005). That is, if an employee is experiencing positive emotions toward change, they are more likely to accept it (Mossholder et al., 2000). Emotion is part of an individual's affect, which is the broad range of feelings that individuals experience. Affect comprises mood and emotion (Beal, Weiss, Barros, & MacDermid, 2005). Emotion is different from mood in that it is directed at someone or something, whereas mood does not have a specific context (Mossholder et al., 2000). Furthermore, as emotion is addressed at a particular target and is generally felt in a short duration, while, in contrast, mood lacks a discrete stimulus and may exist for a longer period of time (Beal et al., 2005).

Russell and Carroll's (1999) conceptualization of emotion is predominantly used within organizational research (Mossholder et al. 2000). Their theory describes two bi-polar, orthogonal dimensions: pleasantness and arousal (see Figure 2). Pleasantness consists of the amount of like, or dislike, toward the object of attention. Arousal consists of the level of intensity or energy toward it. Because Russell and Carroll's model of emotion is bi-polar and bi-axial, words as an expression of emotion can be referenced using both axes. For example,

"elated", "happy", and "calm" are all positive words from the pleasantness dimension, yet the amount of arousal differs from high, medium, to low (Russell & Carroll, 1999).
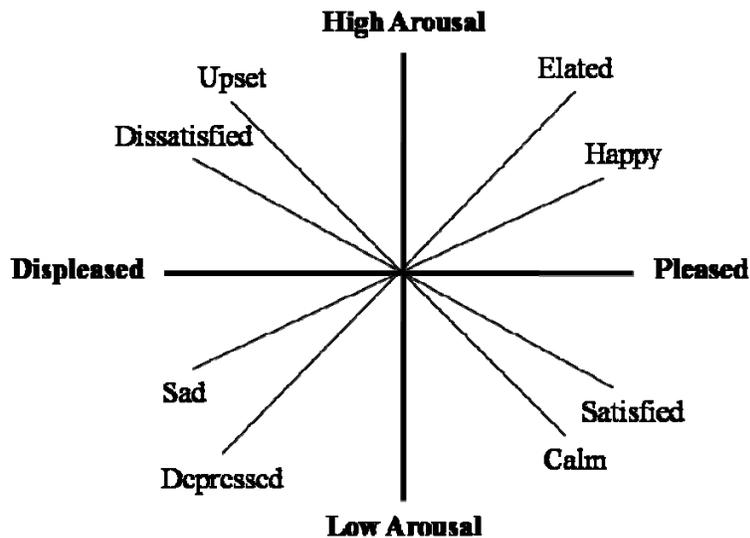
Figure 2. Bi-polar conceptualization of emotion (adapted from Russell & Carroll, 1999).

According to Lazarus (1991), emotions are formed through a cognitive process. That process begins with a person-environment relationship that can change over time. The relationship causes an individual to cognitively appraise the situation to determine if he or she has any interests vested in the relationship. Without vested interests, emotions will not form. This appraisal is termed a *primary appraisal*. If there are vested interests, the individual proceeds to a *secondary appraisal* with the purpose of developing options and prospects for coping with the situation. Emotions are a consequence of the second appraisal. The role of the secondary appraisal highlights that emotions cause individuals to act (George & Jones, 2001; Lazarus, 1991; Liu & Perrewé, 2005).

By applying this theory of emotion to organizational change, it is reasonable to believe that when individuals first learn that management is contemplating changing a process or system, they will evaluate the personal impact of a change against the status quo. If they decide that a change will not affect them, they will not experience emotion regarding that change (George & Jones, 2001). If they perceive that a change will affect them, however, they will then evaluate the change further, during their secondary appraisal, to decide how to respond. Individual reactions may range from resisting a change to promoting a change (Stensaker et al., 2002). If the decision was to resist the change, then the individual is likely experiencing negative feelings toward the change; conversely, a decision to actively support a change would likely induce positive feelings (Lines, 2005). Furthermore, an individual's behavioral intentions are prone to vary based on the amount of arousal experienced, with higher levels of arousal being related to more active forms of resistance or support (Stensaker et al., 2002). Incidentally, during the initial introduction of change, the arousal dimension is expected to be high because individuals are trying to decide if something personally relevant and significant is happening (Liu & Perrewé, 2005).

The empirical literature regarding the extent to which emotion is related to change readiness is somewhat mixed. Mossholder et al. (2000) found pleasantness and arousal, and their interaction, to be significantly related to an individual's readiness for change. Bartunek, Rousseau, Rudolph, and DePalma (2006) found pleasantness, but not arousal, to be significantly related to perceived loss and gains from a change. Additionally, Bovey and Hede (2001) found emotion to moderate the relationship between cognitive appraisal and resistance to change.

While organizational change can be experienced in a positive way, the majority of research indicates that mostly negative emotions are felt initially (Kiefer, 2005). The

understanding and managing of emotion is important because "emotion is a precursor of members internalizing core transformation values" (Mossholder et al., 2000 p.221). Emotion has an equal role with cognition as individuals decide to either support or resist change (Lines, 2005). Consequently, helping organizational members experience positive emotions in conjunction with change is essential (Kotter, 2008; Lines, 2005; Mossholder et al., 2000). Therefore, it is expected that organizational members with positive emotions toward a prospective change to the status quo will report higher levels of perceived need for change, while organizational members with negative emotions will report lower levels of perceived need for change.

>*Hypothesis 1a:* Organizational member's change-related pleasantness emotion will be
>
>positively related to a perceived need for change.

>*Hypothesis 1b:* Organizational member's change-related arousal emotion will be
>
>positively related to a perceived need for change.

Perceived Organizational Support

"Employees evidently believe that the organization has either a general positive or general negative orientation toward them that encompasses both their contributions and their welfare" (Rhoades & Eisenberger, 2002, p.699). This belief, called perceived organizational support*,* causes individual employees to judge their organizations to determine if additional workplace effort will be rewarded with either tangible or intangible rewards (Lynch, Eisenberger, & Armeli, 1999). Perceived organizational support is described as an affective reaction to the organization (Eby, Adams, Russell, & Gaby, 2000) and has many consequences.

Perceived organizational support and readiness for change. There has been little research on the relationship between perceived organizational support and readiness for change. Eby et al. (2000) and Self et al. (2007) are the exceptions, and their results were mixed. Whereas Eby et al. found no relationship, Self et al. found that individuals with higher levels of perceived organizational support also perceived an organizational change to be more justified. In order to examine additional empirical studies regarding the relationship, the literature search was expanded to include trust in management. This expansion is reasonable because perceived organizational support and organizational trust are closely related; perceived organizational support has been shown to be a determinant for organizational trust (Stinglamber, De Cremer, & Mercken, 2006). The organizational trust research concurs with the findings of Self and colleagues and further suggests a positive relationship with readiness for change (Devos, Buelens, & Bouckenooghe, 2007; Oreg, 2006). Oreg's (2006) study found trust in management to be significantly related to the affective, cognitive, and behavioral components of resistance to change. Furthermore, Devos et al. (2007), also found additional support for the relationship of trust in management and openness for change. Given the similarities between perceived organizational support and trust, it seems reasonable to expect that perceived organizational support will be positively related to an individual's perceived need for change.

Hypothesis 2a: Organizational member's perception of organizational support will be

positively related to perceived need for change.

Perceived organization support and affect. Self et al. (2007) theorized that perceived organizational support should trigger feelings of affect toward the organization, and that any positive feelings should influence an employee's readiness to change throughout all stages of the

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change effort. Furthermore, Kiefer (2005) found that organizational treatment, which included perceived organization support and organizational justice, mediated the relationship between ongoing organizational change and negative emotions. Accordingly, it is expected that employees who perceive high levels of organizational support in their organization will experience more positive emotions regarding a prospective change to the status quo, which will lead to a higher state of change readiness.

Hypothesis 2b: The relationship between an organizational member's perceived organizational support and perceived need for change will be mediated by emotion.

Perceptions of Service Quality

Perceptions of service quality and change. The ability to understand and manage organizational performance is critical for leaders (Kaplan & Norton, 1992). To this end, customer satisfaction, or the similar construct of service quality, is a core indicator of organizational performance due to its long term impact on profit and other financial outcomes (Kaplan & Norton, 1992; Lam & Schaubroeck, 2000; Zeithaml, 2000). Within services literature, quality is a consumer's judgment regarding the overall excellence of a company (Parasuraman, Zeithaml, & Berry, 1988). Since service quality contains cognitive, affective, and behavioral components, it is an attitude. The cognitive component arises from the evaluation of an organization relative to peers as a benchmark for performance (Parasuraman et al., 1988). The affective component is a result of the consumer's overall impression of the relative inferiority or superiority of the company (Rust & Oliver, 1994). Furthermore, the desires and wants of consumers factor into the affective component (Parasuraman et al., 1988).   Lastly, the

behavioral component is demonstrated by the purchasing of goods and services (Rust & Oliver, 1994).

Service providers know more about their jobs than anyone else (Drucker, 1993). Additionally, they have access to customers and are aware of the customer's perceptions of quality (George, Rowlands, Price & Maxey, 2005). This perception of service quality is analogous to performance feedback. Performance feedback provides information about the quality of one's work behavior (Kinicki, Prussia, Wu, & McKee-Ryan, 2004). Receiving feedback does not in and of itself cause performance to change (Ilies & Judge, 2005). However, the acceptance of said feedback does cause future behavioral intentions and subsequent performance changes (Ilgen, Fisher, & Taylor, 1979; Kinicki et al., 2004; Sutton, 1998). An individual's perception of his or her own service quality is formed by exposure to customers. The George and Jones (2001) process model of individual change provides a framework for understanding how this perception might be formed. When service employees face feedback from customers, they often utilize schemas, or abstract cognitive structures formed from past experiences, to address those situations. These schemas guide perceptions, decision making, and behavior. Thus, the perception of the relative superiority or inferiority of their service begins when the employee encounters a situation that conflicts with pre-existing schemas. For example, if the service provider encounters negative feedback from a customer, and this feedback conflicts with the currently held perception of service quality, the employee will then begin to rationalize the situation in order to try to make it fit within existing schemas. If the service provider is able to rationalize the feedback, then he or she will not accept it, and, consequently, not act on the feedback. Conversely, if the employee is unable to rationalize the feedback, then the employee will accept the feedback, and the employee will have intentions to change. Hence, based on the

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belief that a service provider's perception of quality is similar to the acceptance of feedback, it is hypothesized that service providers who believe their customers are satisfied with their service will be less likely to support change.

Hypothesis 3a: Organizational member's perceptions of service quality will be negatively related to a perceived need for change.

Perceptions of service quality and emotion. It has been proposed that an individual's perception of service quality is a cognitive appraisal in which the employee decides to either accept or reject feedback from his or her customers. Likewise, emotions arise from a series of cognitive appraisals (Lazarus, 1991), which could include perceptions of service quality. This emotional response is expected to be related to perceived need for change (George & Jones, 2001). Therefore, it is expected that individuals who perceive poor service quality will view it as a problem and, consequently, will experience an emotional reaction, which will subsequently increase their perceived need for change.

Hypothesis 3b: The relationship between perception of service quality and perceived need for change will be mediated by emotion.

III. Methods

Organizational Context

The present study was conducted in a public sector organization within the Department of Defense. The organization has been involved in wide-scale changes in order to meet fiscal restraints and productivity goals in the face of a smaller work force due to frequent military deployments and a reduction in the personnel budget. Approximately one year prior to the present study, executive management consolidated and made public a list of processes to be re-engineered as part of its transformation goals. The present research partnered with the organization in one such process, to aid in the exploration of options for an improved construction request process. This process improvement effort would affect approximately 1,700 individuals in 10 geographically separated areas. The present action research project was conducted during the initial phase of this larger initiative to (a) determine if there is a problem with service quality, (b) determine the organization's perceived need for change, and (c) aid in the development of an improved process. Feedback was provided to the sponsoring organization in aggregate and summary statistical form, so as to protect study participants.

Procedure

In November 2008, the leader of the organization announced the kick-off of the change effort. In the executive memo, she stressed a desire to formulate a smart solution using the expertise of those on the ground, rather than a traditional top-down approach to change. The memo announced that a change to the process was coming but that front-line workers would define the scope of the change. In order to assess the attitudes of these front-line workers, a link

to a web-based survey accompanied the announcement to collect perceptions on the process and change. The email announcing the project launch and the link to the survey were sent from the organizational leader to the different geographic managers to be distributed via mass email to the survey participants. The same process was used to forward the two follow-on participation reminders that were sent during the data collection phase. Limited demographic information was asked so as to protect the anonymity of respondents. Individuals were provided time and privacy at work to complete the survey.

The participants in the study perform facility maintenance, repair, and construction functions for Department of Defense installations. All subordinates and supervisors working in these functions were invited to participate in the study. As many of the organization's members deploy frequently or perform duties away from their home location, the exact number of employees contacted to participate is unknown; however, the number of employees estimated to be available for survey completion is about 725. One hundred ninety-three employees' (26%) completed surveys. Of the 193 surveys, 44 were incomplete or contained unusable data.

Measures

Emotion. Service providers reported their emotions regarding the general concept of changing the construction request process using the Semantic Differential Measures of Emotional State Scale reported by Mehrabian and Russell (1974). Respondents were instructed to rate their feelings about the change along a 7-point scale between two adjective word pairs. As readiness for change affects only the pleasure and arousal dimensions of affect (Mossholder et al., 2000), the questions in the Emotional State Scale regarding the third dimension of dominance were eliminated. For both the pleasure and arousal dimensions, positive or energetic

words are on the high end of the scale, and negative or low arousal words are on the low end of the scale (e.g. *displeased* = 1 and *pleased* = 7, and *calm* = 1 and *excited* = 7). Each dimension contained six word pairs.   The reported Cronbach's alpha for the measures were .82 and .74 respectively (Mehrabian & Russell, 1974). Coefficient alpha for this sample was calculated to be .97 and .79.

Perceived organizational support. Service providers reported the level of support they received from their local organization using the eight-item short version of the Survey of Perceived Organizational Support as reported in Lynch et al. (1999). Respondents indicated the extent of their agreement with each statement in the scale by using a 6-point Likert-type scale (1 = *strongly disagree*, 6 = *strongly agree*). The reported Cronbach's alpha for the measure was .90 (Lynch et al., 1999). Coefficient alpha for this sample was calculated to be .86.

Perception of service quality. The updated SERVQUAL instrument (Parasuraman, Berry & Zeithaml, 1991) was modified for service providers. The modification consisted only of the perception construct and asked service providers to answer on behalf of their customers. For example, the original, "Employees of XYZ are not too busy to respond to customer requests promptly," was revised to read, "Our customers believe that we are too busy to respond to customer requests promptly." In addition, the tangibles construct was revised and rewritten; this adaptation is in line with the original intent of the instrument to be adapted to fit the characteristics and needs of a specific organization (Parasuraman et al., 1998). For example, one question was revised from, "They should have up-to-date equipment," in the Parasuraman et al. instrument to, "My customers think that our completed work is professionally finished," in order to account for the nature of construction services. Respondents indicated the extent of their agreement with each statement using a 6-point Likert-type scale (1 = *strongly disagree*, 6 =

strongly agree). Parasuraman and his colleagues reported a coefficient alpha for reliability (five items), tangibles (four items), responsiveness (four items), assurance (four items), and empathy (five items) of .72, .83, .82, .81, and .86. Using an aggregate perception of service quality score, the coefficient alpha was calculated to be .96 for this sample.

*Perceived need for change***.** Service providers reported their beliefs and opinions regarding perceived need for change using the discrepancy dimension of the Organizational Change Recipients Belief Scale reported by Armenakis, Bernerth et al. (2007). Admittedly, the scale was designed to measure change during the adoption or institutionalization stages; however Armenakis, Bernerth, and colleagues indicate that with minor changes the scale will also assess readiness for change prior to implementation. Respondents indicated the extent of their agreement with each statement using a 6-point Likert-type scale (1 = *strongly disagree*, 6 = *strongly agree*). The reported Cronbach's alpha from the scale development for the discrepancy dimension ranged from .70 to .92 (Armenakis, Bernerth et al., 2007). The calculated coefficient alpha for this sample was .93

Dispositional Optimism. To control for the effect of dispositional optimism on the emotional state of service providers, dispositional optimism was evaluated using the measure reported by Scheier and Carver (1985). Respondents indicated the extent of their agreement with each statement using a 6-point Likert-type scale (1 = *strongly disagree*, 6 = *strongly agree*). The Cronbach's alpha reported by Scheier and Carver was .76. The coefficient alpha for this sample was calculated to be .80.

*Tenure***.** Service providers were also asked to report their pay grade within the organization. As the leaders within the organization are all internally selected through a measured progression process through the ranks, pay grade was used to approximate overall

organizational (the Department of Defense) tenure. The pay grades were aggregated into six

bands to represent organizational tenure. Level 1 indicated a low tenure whereas level 6

represents a high organizational tenure.

IV. Analysis and Results

The data in the present study were multi-level in nature because they were collected from 10 different geographic locations and individual variables were assessed in reference to those geographic locations. Therefore, it is reasonable to expect that variables related to work group climate (perceived organizational support) and performance (service quality) would vary by location of work unit. Because of the different locations, significant between-group variance was expected. Hierarchical linear modeling was initially chosen as the method to analyze the data because it provides the ability to investigate relationships that cross levels of analysis (Hofmann, 1997). However, in order to use hierarchical linear modeling, there must be systematic within and between group variance of the dependent variable. This was assessed by conducting a one-way analysis of variance which partitions the variance into within-group and between-group components (Hofmann, 1997; Kidwell, Mossholder, & Bennett, 1997). Using the HLM6 statistical package, a one-way analysis of variance, or using HLM terms, a *null model* was run to assess whether the data met the condition of systematic between-group variance in the dependent variable. The results (τ_{00} = .01, df = 9, $\chi^2(10,152)$ = 12.58, *ns*) indicated that this condition was not satisfied. The null model also produced information necessary to compute the intraclass correlation coefficient (p), which represents a ratio of the between group variance to the total variance (Hofmann, 1997). The results of this analysis indicate that 1% of the variance in perceived need for change lies between work groups. Therefore, as the variance between geographic locations was not significant, hierarchical linear regression analysis, in lieu of HLM, was used to test the hypotheses.

Means, standard deviations, coefficient alphas, and correlations among variables are presented in Table 1. As expected, significant correlations ($p < .05$) were found between

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perceived need for change and emotion, perceived organizational support, and perceptions of service quality.

Table 1. Means, Standard Deviations, Coefficient Alphas, and Correlations Among Variables

	M	SD	1	2	3	4	5	6	7
1. Tenure	4.12	1.80	--						
2. Dispositional Optimism	4.18	.76	.06	(.80)					
3. Perception of Service Quality	4.93	.75	-.18*	.28**	(.96)				
4. Perceived Organizational Support	4.45	.86	-.04	.49**	.42**	(.86)			
5. Emotion (Pleasure)	3.35	1.23	.04	.38**	.12	.19*	(.97)		
6. Emotion (Arousal)	4.10	.81	.14	.16	-.10	.05	.17*	(.79)	
7. Perceived Need for Change	4.03	1.25	.10	.07	-.23**	-.22**	.47**	.13	(.93)

Alpha coefficients appear in parenthesis on the diagonal
* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

Hierarchical regression analysis was used to assess the relationship between the predictor variables of perceived need for change (using SPSS Version 16). The resulting model was satisfactory, meeting the assumption of normality, $D(144) = 0.073$, *ns*, the assumption of independence, $F(9, 134) = 1.14$, *ns*, and constant variance. The control variables of tenure and dispositional optimism were entered in the first step of the regression analysis. Dispositional optimism was included as a control variable to account for the traits of individuals in the measurement of their state emotion regarding perceived need for change. Dispositional optimism was a relevant control variable because it has been theorized to be related to positive expectations of organizational change (Wanberg & Banas, 2000) and in the formation of emotion (Rafferty & Griffin, 2006). During the second step of the analysis, the hypothesized independent variables of emotion, perceived organizational support, and perceptions of service quality were added, and, consequently, the model explained a significant portion of the variance in

discrepancy readiness for change, $R^2 = .36$, $F(6,137) = 12.63$, $p < .001$. Thus, the results suggest

that emotion, perceived organizational support, and perceptions of service quality were

associated with perceived need for change. The results are reported in Table 2.

Table 2. Hierarchical Regression Analysis for Perceived Need for Change

	B	SE	β	ΔR^2
Step 1				.01
(Constant)	3.31	.61		
Dispositional Optimism	.11	.14	.07	
Tenure	.06	.06	.09	
Step 2				.34**
(Constant)	8.35	.96		
Dispositional Optimism	.08	.14	.05	
Tenure	.05	.05	.07	
Perception of Service Quality	-.30	.13	-.18*	
POS	-.38	.12	-.26**	
Emotion (Pleasure)	.54	.08	.52**	
Emotion (Arousal)	.02	.11	.01	

Note. For final model, $F(6,137) = 12.63$, $p < .001$, and total $R^2 = .356$ B indicates unstandardized regression coefficients. β indicates standardized regression coefficients. POS = perceived organizational support.
* $p < .05$. ** $p < .01$

Hypothesis 1a predicted that the pleasantness dimension emotion would be positively

related to perceived need for change. The pleasantness dimension of emotion was positively

related, β = .52 $p < .001$. Thus, the hypothesis that the pleasantness dimension of emotion is

related to perceived need for change is supported.

Similarly, Hypothesis 1b predicted that the arousal dimension of emotion would be

positively related to change. Counter to expectations, the arousal dimension of emotion was not

associated with perceived need for change, β = .01, *ns*. Although the arousal dimension of

emotion was not significant, emotion, as an overall construct, was significant (c.f. Bartunek et

al., 2006).

Hypothesis 2a received partial support as perceived organizational support was directly related to perceived need for change ($\beta = -.26$, $p < .01$). The hypothesis theorized a positive association; however, the results indicate a negative one.

Hypothesis 2b theorized an indirect effect of perceived organizational support on perceived need for change through emotion. In accordance with Frazier, Tix, and Barron (2004) the following mediation tests were performed. First, the direct effect between perceived organizational support and perceived need for change was significant ($\beta = -.26$, $p < .01$). Second, perceived organizational support was significantly related to the pleasantness dimension of emotion, $F(1, 148) = 5.23$, $p < .05$. Third, emotion was significantly related to perceived need for change ($\beta = .52$, $p < .001$). Lastly, the strength of the relationship between perceived organizational support and perceived need for change was weakened as a consequence of controlling for emotion ($\beta = -.26$, $p < .001$). As the relationship between perceived organizational support and perceived need for change was not reduced to zero, partial mediation exists. The significance level of the partial mediation was calculated, and the mediated effect was significant, $p < .05$. Therefore, Hypothesis 2b, which expected that perceived organizational support would indirectly effect perceived need for change through emotion is supported.

Interestingly, perceived organizational support had a negative direct effect on perceived need for change, but a positive indirect effect through emotion. Post-hoc theorizing suggests that this difference is due to emotion moderating the relationship in addition to mediating the relationship between perceived organizational support and a perceived need for change (c.f. Bovey and Hede, 2001; Self et al., 2007). Consequently, emotion was also tested for moderation of the relationship between perceived organizational support and perceived need for change. The results indicate that moderation did exist, $\Delta R^2 = .028$, $R^2 = .384$, $F(7, 143) = 12.09$, $p < .001$.

Hypothesis 3a predicted that perceptions of service quality would be negatively related to perceived need for change. This hypothesis was supported (β = -.18, p < .05).

Hypothesis 3b suggested an indirect effect of perceptions of service quality on perceived need for change through emotion. To test for mediation, the direct effect of perceptions of service quality and perceived need for change (β = -.18, p < .05) was calculated. Second, the direct effect of perceptions of service quality and emotion was also calculated, $F(1, 148) = 2.16$, *ns*. The association is not significant; therefore, perceptions of service quality did not satisfy the mediation test, and hypothesis 3b is not supported.

V. Discussion and Conclusions

Discussion

In order to endorse organizational change, members within an organization must feel that a legitimate need for change, or a discrepancy, exists (Armenakis, Bernerth et al., 2007). In accordance with the suggestion of Holt, Armenakis, Field, and Harris (2007), the concept of discrepancy was viewed and measured as a change to the status quo rather than as a focal change. To do so, readiness for change was explored prior to the introduction of a proposed change, via the examination of the organizational members' feelings toward a prospective change. This attitudinal state toward a prospective change was termed *perceived need for change* and was investigated with three proposed antecedents: emotion, perceived organizational support, and service provider's perceptions of service quality. As predicted, all three antecedents were significantly associated with perceived need for change; though as will be discussed, contrary to expectations, a negative relationship between perceived organizational support and perceived need for change was also discovered.

Theoretical Implications and Contributions

Emotion. As individuals form beliefs regarding proposed organizational change, their perceptions are influenced beyond the objective facts of the change (Armenakis, Bernerth et al., 2007). Emotion is tantamount in the formation of these beliefs (Mossholder et al., 2000). Consistent with previous findings (e.g., Mossholder et al., 2000; Bartunek et al., 2006), a positive relationship was found between pleasantness and perceived need for change, indicating that an individual's like or dislike of organizational norms is related to their change readiness.

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However, in a break from the theory within the literature (c.f. Liu & Perrewé, 2005), no relationship existed between arousal and perceived need for change. Empirically, the relationship is not as clear, as Mossholder et al. (2000) found a relationship, but Bartunek et al. (2006) did not. The literature reports that arousal varies in direct proportion to the importance of individual goals and the degree to which the change affects the goal (Liu & Perrewé, 2005). Therefore, organizational members who view the adoption of a change to the status quo as improbable and believe that the introduction of change will not affect individual goals, may not become aroused. Such individuals are very common in organizations, and they view potential changes as improbable (Stensaker et al., 2002). They utilize passive mechanisms to cope with change and tend to stand still and "wait until [the] wind of change [has] blown over" (Stensaker et al., 2002 p.303). Individuals who passively cope with change would be expected to have low levels of arousal. Therefore, the non-significant finding of arousal and perceived need for change may be explained by a pervasive passive change coping technique throughout the organization.

Perceived organizational support. Theoretically, it is thought that individuals who currently believe that their organization values their contributions will expend extra effort to support change (Eby et al., 2001). This theoretical argument has been met with mixed empirical results (e.g., Eby et al., 2000; Self et al., 2007). Furthermore, when the relationship of perceived organizational support (or organizational trust) has been supported, consistent with theory, there has been a positive relationship (Devos et al., 2007; Oreg, 2006; Self et al., 2007). In the present study, counter to expectations, perceived organizational support was negatively related to perceived need for change. That is, individuals who reported higher levels of perceived organizational support were less likely to support a change to the status quo. Conceptually,

individuals who report high levels of perceived organizational support believe that their organization values them and their contributions to the organization (Rhoades & Eisenberger, 2002). The negative relationship between perceived organizational support and perceived need for change suggests that individuals do believe that the organization wants them to exert extra effort now and that the effort will be rewarded, yet the organization does not value change efforts per se. Individuals know what the organization rewards (Kerr, 1975), and in this case, it appears the organization does not reward change efforts. Thus, the presence of a negative relationship, in concert with previous findings of no relationship and positive relationships, suggests that a mediating variable between perceived organizational support and perceived need for change might exist. Such a mediating variable might be organizational rewards. That is, perhaps, if an organization is truly innovative and supports change with rewards, then a positive relationship would be expected; however, if the organization does not support change with its reward system, then a negative relationship would be expected.

Previous research suggested that perceived organizational support would generate feelings of affect, which would in turn influence the employee's perceived need for change (Self et al., 2007). In the present study, support for that theory was presented in that emotion was found to mediate the relationship between perceived need for change and perceived organizational support. As was noted in the analysis section, the direct effect of perceived organizational support on perceived need for change was negative, and the indirect effect mediated by emotion was positive. These findings suggest that as employees evaluate perceived need for change, the cognitive evaluation is distinct from the affective evaluation. Individuals could emotionally evaluate their like or dislike of the proposed change, but the emotional

appraisal was not enough to counteract their cognitive evaluation that the organization does not really want them to change.

Perceptions of service quality. The acceptance of performance feedback is associated with behavioral intentions (Kinicki et al., 2004). It is reasonable to believe that the acceptance of informal feedback from customers is analogous to an individual's perception of organizational service quality, because the individual's perception of quality was negatively related with perceived need for change. This finding is limited in scope to change programs seeking to correct quality problems. The justification for change must be related to the anticipated outcome (Daly & Geyer, 1994) or the source of the feedback must be credible (Kinicki et al., 2004). In the present study, the organizational leadership argued that the changes needed to be accomplished in order to increase service quality. As the finding suggests, the service providers may have found leadership's argument to be credible. In cases where the change is not for quality reasons, the relationship may not exist (eg., Cunningham et al., 2002). Also of note, in the present study, perception of service quality appears to be limited to a cognitive function, as the relationship between perceptions of service quality and emotion was not significant. While this finding is contrary to the emotional literature previously cited (c.f. George & Jones, 2001; Lazarus, 1991), it is supported by feedback literature which argues that responses to feedback are due to a series of cognitive responses (Kinicki et al., 2004).

Lastly, the present study found minimal intergroup variance between geographic locations. This finding suggests that with regards to the contextual elements, employees may experience global values much more than local values. This global attitude may be due to frequent moves by employees and frequent temporary assignments which allow for the dissemination of ideas and beliefs across the greater organization.

Practical Implications

The present study found emotion, perceived organizational support, and perceptions of service quality to be related to perceived need for change. Employees who believe in the organization will support the organization with what the organization wants--not what the managers pay lip service to. The negative relationship between perceived organizational support and perceived need for change suggests that managers would be wise to remember the importance of aligning organizational goals with its rewards system. Managers must consistently demonstrate that change is important to the organization if a constant state of change is to be achieved.   The positive relationship between emotion and perceived need for change supports the findings of Mossholder et al. (2000), who argue that managers must help employees view change positively if they want to increase change readiness. Lastly, the relationship between perceptions of service quality and perceived need for change indicates that service providers want to act on feedback from customers; they may only need an opportunity to correct the deficiency.

Limitations and Future Directions

The present study is limited by its correlation design as the data examined is cross-sectional. Implications of causality should be interpreted with caution. In particular, the relationship between change and emotion is complex, and, while reverse causality is possible (George & Jones, 2001), the present study is consistent with the Lazarus (1991) model. Further studies should employ a longitudinal examination of these relationships.

The overall response rate was lower than desired (26%). Although less than optimal, this rate is acceptable for computer-based surveys (Cavana, Delahaye, & Sekaran, 2001). The rate

may be attributed to a couple of factors. First, in the month prior to the launch of the project, the organization's parent organization performed an organizational morale survey. Multiple surveys within this short period may have reduced the response rate. Second, the launch of the survey was plagued with computer server troubles which forced some individuals to repeatedly attempt access to participate in the study. To test for non-response bias, based on the assumption that non-responders are similar to late responders (Armstrong & Overton, 1977), a *t*-test for each of the study's variables was performed. According to Armstrong and Overton (1977), if there are no statistical differences between early and late responders, then non-response bias is not likely. There was no statistical difference between early and late responders for any of the variables ($p >$ .05) and the effect, r, was .08 or less for each of the study variables. Based on these results, there does not appear to be a threat of non-response bias.

The use of self-report data poses the threat of common method variance (Eby et al., 2000; Podsakoff & Organ, 1986). The Harman's one factor test (Podsakoff & Organ, 1986) was used to test for common method variance. If a substantial amount of common method variance exists, then either a single factor will emerge from the factor analysis or one general factor will account for the majority of the covariance in the variables of interest. Following the reporting recommendations of Podsakoff and Organ (1986), four factors emerged from the factor analysis yielding 33.23%, 27.27%, 15.71%, and 9.99% of the variance. Based on these results, common method bias is not likely to be a large concern in the present study. However, future studies should include data from additional sources to reduce the risk of common method bias.

While several significant factors influencing a perceived need for change were found, considerable room for research exists to further explicate this attitude. First, further research should consider what additional cognitive processes influence the formation of emotion toward

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the change. Emotion accounted for the greatest percentage of variance in the model, yet only 3%

was explained by the one known antecedent, perceived organizational support. Second, further

research could investigate the role that trait resistance to change (eg. Oreg, 2003) plays in the

formation of perceived need for change. Lastly, the potential role of organizational change goals

as a mediator between perceived organizational support and a perceived need for change should

be explored so as to further understand when the reciprocal relationship of employee and

organization is beneficial for change efforts.

Appendix A: IRB Approval

Lt Col Vitale and Capt Hammond,

I have reviewed your study entitled "Improved Work Order Process and Accompanying Change Message" and found that your study qualifies for an IRB exemption.

Per 32 CFR 219.101 (b)(2), Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: (i) information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and (ii) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation is exempt.

Your study conforms to this exemption because you are not collecting any personal identifiers, and the demographic data you are collecting cannot realistically be expected to map a given response to a specific subject. You will know the names of the group members but this is a natural consequence of your selected data collection methodology. These names will be protected at all times, only be known to the researchers, and managed according to the AFIT interview protocol.

If a subject's future response reasonably places them at risk of criminal or civil liability or is damaging to their financial standing, employability, or reputation, you are required to file an adverse event report with this office immediately.

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Vita

Biographical Sketch

Captain Gregory D. Hammond graduated from McKinney High School in McKinney, Texas. He entered undergraduate studies at Brigham Young University in Provo, Utah where he graduated with a Bachelor of Science degree in Civil and Environmental Engineering in April 2002. He was commissioned as a Second Lieutenant in the United States Air Force through Detachment 815 AFROTC at Brigham Young University.

His first assignment was at Dover AFB, Delaware in the 436th Civil Engineer Squadron where he was assigned as a military construction project manager. While stationed at Dover, he deployed overseas in February 2003 to locations in Azraq, Jordan and Jacobabad, Pakistan to perform base maintenance and repair functions. In August 2005, he was assigned to the 39th Civil Engineer Squadron, Incirlik AB, Turkey. Within the 39th Civil Engineer Squadron, he held multiple jobs including Quality Assurance Flight Commander and Readiness and Emergency Management Flight Commander. In August 2007, he entered the Graduate School of Engineering and Management, Air Force Institute of Technology.

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14. ABSTRACT

By investigating organizational change as a change to the status quo as opposed to an explicit change program, this study explored antecedents of a *perceived need for change*, defined as an individual attitude to actively support a general change to the status quo within the context of a specific process. This cross-sectional study investigated the individual attitudes of construction service providers (n = 193) as their headquarters announced that a change to an existing process would soon be developed. Utilizing hierarchical regression, employees were found to recognize a perceived need for change when they experienced low levels of perceived organizational support, felt positive emotions towards the change to the status quo, and believed that customers had a poor view of the organization's service quality.

Among the managerial implications, first, it supports previous research regarding the importance of emotion in the internalization of change programs. Second, the negative relationship between perceived organizational support and perceived need for change suggests that employees respond to the organization as a system, not necessarily to the stated desires of management. Lastly, it suggests that employees may be ready to act on feedback from customers if they were given an opportunity to do so.

15. SUBJECT TERMS

Organizational Change; Perceived Organizational Support; Emotions; Service Quality

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