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Managing change during systems implementation at an engineering organization

A minor dissertation submitted in partial fulfilment
of the requirements for the degree
Magister Ingenieriae
In
Engineering Management
at the

University of Johannesburg

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August 2017

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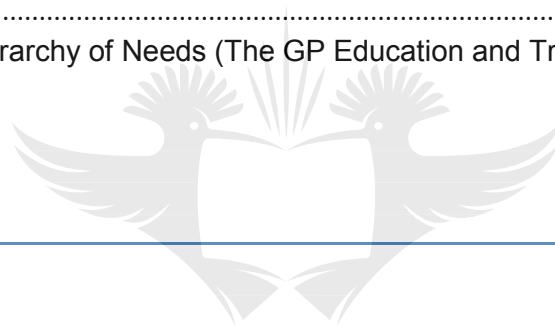
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Declaration

I, Imtiaz Fajandar, declare that this dissertation is solely my own work. This dissertation has not been submitted elsewhere for academic credit either by me or by any other person.

I understand what plagiarism implies and declare that this dissertation is my own words, phrases and figures, except where reference is explicitly made to another's work.

I understand that any unethical academic behaviour, which includes plagiarism, is seen as serious by the University of Johannesburg and is punishable by disciplinary action.

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Acknowledgments

I praise the almighty for blessing me this opportunity and granting me the ability to proceed successfully through this journey that's been lengthy but joyful, which would not be possible without the aid and support of the people below.

I would like to take this opportunity to thank my supervisor and friend Prof. J H C Pretorius not only for his academic backing but also for his continuous encouragement, expert advices, guidance and his growing confidence in me in getting through this dissertation. You have truly been a mentor. I trust our productive co-operation will continue in the future.

Secondly, I would like to express my sincere gratitude to Dr. A. Malan my co-supervisor and mentor who has been very instrumental in getting this dissertation perfect, for his immense leadership and inspiration throughout. Thank you.

Last but definitely not least, I would like to dedicate this dissertation to my partner for life, Zakkiyya M. Haniff and my beautiful daughter Unaisah who have given me the courage, inspiration, confidence and motivation that was required to complete this thesis and would like to express my sincere gratitude. Jazakallah. Words alone cannot credit you enough for your understanding, patience, assistance and love over the past few months where there's been late nights and long days.

I would like to thank my employer for the financial assistance in making these studies possible.

A big thank you to all that have been involved in some way or another, including parents, family and friends that have not been mentioned.

Abbreviations

- MD-Managing Director
- RTC-Resistance to Change Scale
- OD-Organizational Development
- SAP-Systems Applications and Products in Data Processing
- PMI-Project Management Institute
- ERP-Enterprise Resource Planning
- PMBOK-Project Management Body of Knowledge
- HR-Human Resource
- CRM-Customer Relationship Management
- ADKAR-Awareness, Desire, Knowledge, Ability and Reinforcement
- CM-Change Management
- PM-Project Management
- CESA-Consulting Engineers South Africa
- BBBEE-Broad-Based Black Economic Empowerment
- CEO-Chief Executive Officer
- SEROC-Spectrum of Employees Reactions to Organizational Change
- SME-Subject Matter Expert
- IT-Information Technology
- PMPG-Project Management Process Groups
- NPA-National Prosecuting Authority
- ISO-International Organization for Standardization

Abstract

In recent years, organizational change and Customer Relationship Management implementation have become critical for organizations globally, due to the pressures of changing customer needs, competition rapidly increasing, technological developments, evolving work forces and new government regulations, despite records showing their high failure rates. Organizations have been forced to move from product orientated business strategies to customer focused business strategies. The ability to manage such organizational changes is important in facilitating the fruitful result of a CRM initiative. In descriptive case studies, an engineering company with a large market share and geographical monopoly was researched. Due to the challenges involved in facilitating a successful outcome in a CRM initiative, various elements will be considered from both an organizational change as well as CRM implementation point of view. This research will focus on the people aspect of change, including the influence of management support and customer focused cultures in organizations to successfully manage change in organizations. Despite literature showing CRM failure was high due to organizational change. This study utilized a case study research design. The research provides insight into change management practices as well as influential factors in managing change. By compiling a detailed literature review, the various factors evaluated show this can be possible, conclusions are generated and a number of recommendations provided.

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Managing change during systems implementation at an engineering organization

Chapter 1: Introduction

Internal and external challenges as well as the recent global economic recession have generated a platform for business organizations to station themselves strategically to endure the competitive environments in which they function. Businesses globally are continuously re-planning and shifting their operations to overcome the strong rivalry present in the business world. (Bonsu, 2014); (Barnard & Stoll, 2010)

Numerous global projects have been placed on hold or moth balled creating a chain of reactions and uncertainty in the manufacturing fraternity that employs millions of people globally. (Stueck, 2016)

The economy of China has slowed down and reduced capital expenditure on several infrastructure developments in South Africa and several African countries, which has affected the manufacturing industry. China has been a helping force for economic development around the world, due to its import-intensive strategy. (Creamer Media Engineering News, Mining Weekly, 2016)

Procurement in South Africa is presently centred on broad-based black economic empowerment statuses and price and not quality and functionality. (The Consulting Engineers South Africa, 2016)

These pressures have meant that certain organizations need to implement strategic changes immediately in order-to survive. Positive organizational changes are as important as the results of an effective project implementation.

The significance of project management has been on the increase due to the evolving environment, globalization, new challenges and specialization in the global economy. (Pastuszak, Chadam, Phusavat, & Polkowska, 2013)

Managers have had to resort to various methods for organizations to remain sustainable. A lot can be perceived about the actual motives of managerial change, that is to increase the profits and promote growth, to increase efficiency and reduce costs, to develop into a more business orientated organization and to ensure the continued existence of the organization. All these assertions may be valid. Managers may truly accept what they say and strive to undertake the changes and results anticipated. Projects have been put in place to ensure companies remain afloat, meaning that “change” is imminent. (Samuel, 2013)

There are many philosophies and models on how to manage organizational change, even though many initiatives have failed. Global surveys claim that some sixty six percent initiatives of change failed. Therefore this aspect will be focused on. (McKinsey & Company, 2008); (Farmer, 2014)

Success rates of change initiatives was less than thirty percent as per Balogan and Hope; Hailey, 2004; Grover, 1999; Beer and Nohria, 2000. (Al Haddad & Kotnour, 2015) The reason why change initiatives fail has received limited attention within research. (Buchanan, 2005); (Cong Mai, Perry, & Loh)

The success of a project lies in how it is managed. Change is an unavoidable result of project implementations. The significance of the social system is repeatedly neglected and is vital in the achievement or failure of project implementations. (Hornstein, 2014)

Management of change concentrates on the planned change of the organizations structures and human resources to adjust to the changing circumstances. Characteristics like resistance to change, communication and organizational culture are particularly essential. (Knipe & Van der Waldt, 1999)

Studies indicate that deficiencies in the preparation or execution stages of the change process are the key reason for experiencing challenges during change. The absence of a legitimate system of how to execute and oversee organizational change is another reason.). The human aspect is the leading reason for change initiative failure (St-Amour, 2001); (Cong Mai, Perry, & Loh)

Effectively managing individuals influences outcomes of a project. (Hornstein, 2014) Cicmel, 2006 recommends project managers must partake in actions that surpass the conventional control agenda and include in their capacity their capability to lead organizational change projects. (Bourda, 2013)

Due to the sensitivity of challenging times experienced in the “engineering company” maintaining and retaining relationships with existing clients and developing new ones has become compulsory to gain the competitive advantage. CRM implementation at the engineering company ensured that customers were valued. With cheap imports compounding the problem, the engineering company needed to explore other avenues that would ensure loyalty and resorted to implementing organizational change and cost cutting initiatives to ensure the companies human assets were not sacrificed and downsizing was avoided. Restructuring and technological systems were implemented.

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1.1 Problem Statement

Change within the engineering company is inevitable and important. The only constant is change. (Olofsson & Mavromatis, 2013) In change, the performance of an organization improves as it advances towards an ideal state. Many organizational changes take place due to continuous changes in environments, responding to a current crisis, or initiated by a leader. (Woei Suen, Jong Lin, Mei Chen, & An Shieh, 2011)

The implementation of a new investment programme is helpful to the development and innovation within the organization, through alteration of the company itself, and its employees to new challenges, by building new competences in the management of projects, skills and knowledge can be attained, enabling employees to take up new responsibilities and make further changes within the organization. (Pastuszak, Chadam, Phusavat, & Polkowska, 2013)

An intricate project implementation poses a clear challenge to the personnel involved, a prosperous venture results in great pleasure and satisfaction. (Pastuszak, Chadam, Phusavat, & Polkowska, 2013)

Amidst restructuring in the engineering company, a further change introduced was a technological software solution in the form of CRM which was incorporated into an existing ERP system. This was to ensure an increase in efficiency and profitability in the engineering company.

Activities of a change include practically any aspect within an organization, such as inventive technological advancements, overall organizational restructuring which can impact the duration of management tenure, the motive for departmentalization, the collecting and executing of work schedules, all these affect the employees within the organization (Sadler, 1996). Consequences can be serious in the event that appropriate actions are not put in place to present the change to provide sufficient information on the need for change and to manage the change adequately.

Workers who are seldomly consulted about change initiatives are the ones involved and most capable of determining the usefulness of a change process. (D'Ortenzio, 2012)

Very often what is missed in these analysis is the effects of the way projects are executed within organizational change, these may be the important changes leading to effectiveness, enhanced efficiency and innovation within companies. Investment projects provide the capacity for the execution of advanced governance tools, improved knowledge management processes, leading to major change within the company's organizational culture and as a result to an increased corporate value. (Pastuszak, Chadam, Phusavat, & Polkowska, 2013)

Organizations can often be faced with challenges forcing them to adjust or change. Change may be necessary because of a change in one of the following, (Samuel, 2013); (Knipe & Van der Waldt, 1999)

- Structure in organizations;
- Management lines of authority and processes;
- Resource utilization;
- Functional activities/undertakings; and
- Lives of people.

With the engineering company using CRM it enabled them to provide better customer support and services and was able to analyse clients' needs and identify new ones. This was important, as it is more profitable to retain customers then build new relationships.

Relationship marketing based there development on customers varying requirements, choices, buying style and relevant price. Therefore organizations could improve on customized offerings to get the maximum from the general worthiness of their customer portfolio. (Chen & Popovich, 2003)

Intimate relationships between sellers and buyers were lost before the 21st century. Prior to the Industrial Revolution, clients were known by sellers, often by first name and knew their needs.

A partition between sellers and buyers was built by mass production where the aim was to look for clients for standardized products. Today clients are empowered more than before and with the internet rapidly moving more towards customer empowerment.

The CRM application tries to focus first on customers, an individual client at a time, to develop a mutually beneficial long-term relationship. (Chen & Popovich, 2003)

Developing countries are suffering from shortages of theoretical and practical literature of CRM implementation when compared to conditions experienced in industrialized countries. Various studies which concentrate specifically in CRM implementation failures and successes within developing countries and that supply CRM structures for effective implementation in emerging countries is still to be explored. Future researches would pay attention on studying the validity of proposed frameworks of CRM implementation processes established on CRM success factors. (Mohammad A. T., 2008)

There are significant and well-known success stories, while CRM project failure rates may be as high as 70% (Byun and Gray, 2001), from 60% to 80% (Kale, 2004), between 50% and 70% (Philonenko and Morrel, 2001). Numerous articles have documented that most CRM difficulties are not technical (Rigby and Ledingham, 2004; Achuama and Usoro, 2008). Instead, common difficulties include organizational fluctuation and change, inaccurate and varying customer information and alterations that affect the normal functioning of the business, for instance acquisitions. (Mohammad A. T, 2008)

CRM implementation during organizational changes was going to be a challenge to the company, as a study conducted by Chakravorti suggested that organizational change was the primary cause of CRM implementation failures. (Chakravorti, 2006)

Several researchers have suggested that future research must concentrate on the roles of senior management commitment in the implementation of CRM strategies and member commitment within the organization. As proposed, better CRM outcomes would be achieved when these factors are implemented. (Chakravorti, 2006); (Reiny, 2004)

From literature and previous researchers' recommendations, the researcher will focus on an engineering company in South Africa that has undergone and is in the process of many organizational changes and technological implementations.

This dissertation is organized in the following manner; the theoretical foundation of the research explains important concepts and clarifies the results. Thereafter the case study is described in detail and the research methodology followed. To close, the research outcomes are presented in the conclusion and recommendations for future research provided.

1.2 Review of Related Literature

The literature related to organizational change and CRM implementation is presented below and lays the foundation for the current research.

The time during and including the 1970's and 2000's typically identified the project complication sources were, vague successful criteria's, changing of sponsors, inadequate project definition, poor approaches, mediocre quality assurance, technology, concurrency, mediocre association with marketing and sales, irrelevant contracting strategies, no support in political environment, absence of support from top management, inflation, not enough manpower and funding difficulties.) (Hornstein, 2014)

No explicit consideration is made towards the influence of organizational change, even though there has been a rising curiosity in its strategy its effect on organizational culture behavioural competencies of the project manager are just among the few variables which have been analysed closely that go beyond the usage of the techniques, tools and practices found in project management. (Hornstein, 2014)

1.2.1 Change Management and Project Management Standards

Practices of change management are a vital part of PMI professional credentials and standards. As stated in the Practice Guide (PMI, 2013b), “From stakeholder communications to management to human resources management. Throughout PMI’s functional standards, the elements of change management appear, but are not identified by the phrase ‘change management’ (p. viii).” (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

The importance of the above is based on 2 reasons:

1. The PMBOK Guide states, “When the objectives of a project has been achieved the end is reached” (p. 3). Project sponsors as well as project managers are adjudicated by the value their projects created; these will require facilitating adoption and managing organizational change, rather than delivering simply on time, according to scope and within budget. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)
2. The benefit of communicating the project to the organization is not only what good change management is. A poorly executed or conceived project can be saved by a change management plan. The increase on understanding and managing expectations through good change management and stakeholder needs is also the reason affecting the change. Through incorporating change management activities into decision-making and project design, the quality of the complete initiative increases. This aids in expediting subsequent adoption of project deliverables and outputs. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

PMI standards embrace answers needed for developing forceful and structured change management activities without requiring an adjunct or separate management plan. Within the PMBOK® Guide (PMI, 2013a) the various change management elements is crucial for project management to not only recognize but need to understand and expand on the change management concepts presented to enhance and augment the project management plans. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

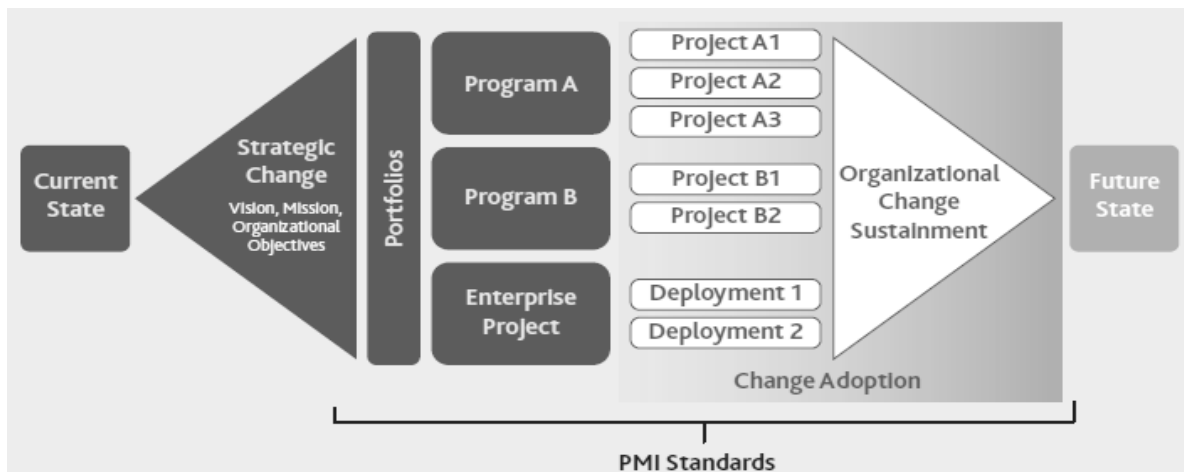


Figure 1: By using Programs, Projects, Portfolios, Advancing from a Current State towards an ideal State (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

1.2.2 Planning Change

With organizational change being a common practice, it is essential for Human Resources to obtain control and order during these times to lead employees towards a correct direction, provided that they manage the change effectively. Being able to understand the reasons and also why individuals resist change is often a concern of the human resources manager. HR managers are skilled and knowledgeable to oversee change management. (Repischak, 2016)

Company leaders are helped by human resources, by them working together to define and describe new job position/roles as a consequence of the change. The types of expertise necessary for the new job are described and work to match the job to the best people. (Solutions, 2012)

Activities performed by the human resources department had the connotation of being intangible. Change management over the last decade has evolved as an organized discipline in which leaders in business are viewing as a must have and not nice to have when change initiatives or larger projects are being introduced. (Bourda, 2013)

1.2.3 Change Management Perspectives

Seeing that when an organization is faced with change the organization itself does not change but the attitudes of individuals change. The change in collective behaviour yields varying results for the organization. For instance if a business reorganizes; the restructuring is not what represents the change but the shift in responsibilities and accountabilities for different people does. Different business outcomes are achieved and new behaviours result. Within organizations the people change not the organization itself. (Toby Elwin, 2010)

Project success is quantified by the difference of work that an individual completes and is multiplied by the amount of employees who have been influenced by the change. For change management to be effective an appreciation of how an individual makes change successful needs to be understood. An individual's perspective without change management amounts to activities carried out without outcomes or goals. (Bourda, 2013); (Hiatt, 2006)

Among the many change management tools available to ensure employee participation in the change management process are the ADKAR model and force field analysis methods. (Change Management-Coca Cola, 2015)

1.2.4 ADKAR Model

The commencement of managing organizational change is to understand managing change with an individual. Prosci developed the ADKAR model and is among the available tools to drive individual change. A world leader in content creation in change management studies is used usually. The acronym for ADKAR is Awareness, Desire, Knowledge, Ability and Reinforcement. Therefore individual change management and organizational change management must be used together to ensure successful change. (Bourda, 2013); (Hiatt, 2006); (Change Management, 2009)

Enabling change to be successful an employee requires:

- Awareness -Consciousness of the reason and necessity to change;
- Having a Desire which supports and contibutes to change;
- Knowledge on exactlty how to change/what to alter/what means, learn the most proficient method to change;
- Ability to be able to have the necessary behaviors and skills for implementation; and
- To Reinforce forces sustaining the change.

Sucessful change at individual level ADKAR describes and outlines the outcomes or goals of sucessful change. For planning change management activities, ADKAR is an effective tool for developing corrective action, supporting managers, diagnosising short comings and supporting supervisors. (Bourda, 2013); (Hiatt, 2006); (Change Mangement, 209917)

1.2.4.1 Force Field Analysis

The force field analysis method was created by Kurt Lewin, it analysed the forces opposing change, by weighing the advantages and disadvantages of a project. The two forces being the driving force (promoting change) and the other the refraining force (preventing change). When change occurs it moves from the current state that it is in, where the two forces are in equilibrium to a new state that is dominated by either of these forces. Driving or refraining forces can be scored as 1 is weak to 5 that is strong, to help recognise various concerns by identifying which employees require more knowledge and training, as well as it aids in inducting relevant personnel to positions. (Change Management-Coca Cola, 2015); (Business Strategy, 2007)

1.2.5 Change Management Methodologies (CMM)

Research places failure rates of organizational change as high as seventy percent. (Bourda, 2013). About 70 percent of change programs fail as per to Balogun and Hailey in 2004. Nearly 70 percent of all change programmes fail according to Todnem in 2007. In 2000 Beer & Nohria as well as Grove in 1999 confirmed, change initiative success rates are less than 30 percent, And this rate is not getting better as noted in more recent articles.. (Al Haddad & Kotnour, 2015)

These failure rates show a need for finding and investigating elements that improve the probability of successful change in organizations. (Al Haddad & Kotnour, 2015)

Consequently leaders are seeking avenues to decrease and curtail failure. Leaders believe by utilizing an ordinary change management methodology that they are 'implementing' change management. (Bourda, 2013)

Change management methodologies can help companies in any planned and any unplanned changes. These methodologies help reduce risks by formulating a plan to deal immediately with any opposition or problems which can arise after and during an implementation.

Risk is the biggest acceptance, acceptance by staff, management, employees and stakeholders, when change processes take place it should be made a priority. (Bourda, 2013); (Change Management, 2009)

1.2.5.1 Prosci's Change Management Methodology

A research using 1600 participants over a period of 10 years Prosci developed an organizational change management process.

Its a combination of lessons learned by those who introduce change around the world. Organizational and individual change management has been integrated by Prosci's approach to ensure business results are accomplished. Based on steps which enable project teams to complete the particular change initiative supported.

The vital differentiator of majority change management methods can be the link of individual and organizational change management. (Bourda, 2013); (Change Management, 209917)

Phase	Description	Notes
Phase 1	Preparing for the Change	<ul style="list-style-type: none"> • Preparing for change; • The following question is answered, “How much change management is necessary in this specific project?”; and • It gives Awareness to the situation which is important in effective change management.
Phase 2	Managing the Change	<ul style="list-style-type: none"> • Creating plans which concentrates on integration into project activities-what people would normally link to change management; and • It creates five plans which helps people move within the ADKAR model.
Phase 3	Supporting the Change	<ul style="list-style-type: none"> • Support is often overlooked; • It guides project teams in creating action plans that make sure change is maintained; and • Project teams can generate mechanisms and measures to recognize the changes carried out. Whether staff is carrying out their jobs in a new fashion, and to rejoice on success.

Figure 2: Change Management Methodology-Prosci (Bourda, 2013)

A case within the South African telecommunications industry was investigated by Cameron Maurice Visagie shows individuals interpret situations of change as what's happening to them on a personal level in relation to their work unit, then other factors are taken into consideration (for instance the consequence of the change) to arrive at a response. The outcome directs to a complex nature in organizational change and the consequences this change will have on individual's responses. (Fedor & M, 2004)

The general achievement of the organizational change is subjected by activities which include establishing a clear vision for the intended organizational change, finding executive sponsorship for organizational change. Also by creating change management strategies by integrated communication and to create strong employee motivation for generating organizational change. There is no way of refuting that change is tough.

When preparing for change many individuals search for "how to tips", but equally as critical is to search for is why change fails to complete the solution? (Bourda, 2013)

Levasseur (2010) proposed that project managers should familiarize themselves with and make use of tools related to familiar change management procedures like, Kotter's eight step methodology and Lewin's 3 Step model so the human side of project implementations can be improved. Choi in 2011 established the significance of getting employee engagement and identified four attitudinal theories which represented employees' attitudes towards organizational change, commitment to the change, readiness for the change, being open to the change and scepticism regarding the organizational change. (Hornstein, 2014)

Research has found that more than half the organizational change programs implemented do not produce the outputs they were proposed to. (Bennebroek, 1999); (Husain, 2013)

James Champy, candidly acknowledged: "the extensive re-engineering of pay-outs seemed to have fallen short of its potential" (Champy, 1995, p. 3). A poor record was noted on the change management within the organization found methods used to start change were poorly understood. (Clampitt & Berk)

1.3 Change Management in Project Management Process Groups

An opportunity of project success rises with the correct application of project management processes. This entails managing the hard skills of projects that is. timelines and budgets, as well as the soft skills which includes perceptions, people and relationships. For a successful project, the PMBOK Guide (PMI, 2013a) states the requirement to meet stakeholder needs and expectations must be complied with by the project team. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

There's a need to understand that stakeholders have both emotional and cognitive needs that will go beyond the requirements of a project, begin planning on how to understand factual purposes in the project, these include adapting output of a project and exhibiting new behaviours which will allow value to be generated by the organizations stakeholders. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

1.3.1 The Project Management Process Groups

The Project Management Process Groups (PMPG) is groupings of sensible project management inputs, outputs, techniques and tools. The Project Management Process Groups are:

1. Initiating
2. Planning
3. Executing
4. Controlling and Monitoring
5. Closing

Among the many aims in change management, one of them is to supply information and visibility into the organizational change, political and human elements enabling a project to be successful and to realize the project value. In each of these five process groups it is key to identify that there exist numerous change management terms which could be leveraged. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

The Initiating Process Group is found to explain new phases or projects in existing projects. When starting a project phase or the new project, it is vital to locate stakeholders who are needed not only for the requirements collection, but also those who would impact the project outcomes. Project management methods must be labelled as much as possible by its people-related organizational needs and also by its technical project-related needs. It is of importance to understand executive and/or business sponsor needs. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Questions that project managers could consider include:

- Who can withhold or provide critical resources?
- Is there other important chains or dependencies that may need close integration with other projects?; and
- Whose interests are at risk and how can it be alleviated?

Projects are extensions of the champion's leadership and business competencies, project managers ought to identify the components in the project which will be essential to the sponsor. In the political arena, it's important to distinguish the organizational leaders that are at different levels in an organization that could impact the fundamental project components. Who could offer or refuse important resources? Whose interests may be at risk and can it be lessened? Are important dependencies or chains there that necessitate close integration with some other projects? Concerns that project managers have to consider at the start of a project they must continue to examine them throughout the lifecycle of the project. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

The Planning Process Group is when the objectives and scope of an initiative is detailed with the necessary pathway of action. In determining the scope, it is vital that the end goals are thought of, to generate a thing that when used in an organization it will lead to benefits. Bearing in mind that new technology alone will not reap benefits. The benefits can only be generated if the organization takes in technology and uses it in a manner which creates value for organization. By using deliverables and not merely the delivery of services or an end product. The important project sponsors begin to comprehend the value of incorporating tough change management planning. Likewise, stakeholders of operations in businesses are the ones using these deliverables and should be involved during the course of the project to guarantee that they are suitably equipped for the leverage of new capabilities. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Included in the Executing Process Group is the procedures used to finish work that is explained within the project management plan i.e. handling the expectations of stakeholders and incorporating different activities of a project which includes the people associated activities. A sound run project is familiar with change in management factors which would affect the project execution, and these will justify factors throughout the life cycle of a project. In many cases, it might be vital for projects to have a Subject Matter Expert as well as a change mediator for the project. SME's are aware of the business requirements that a project must focus on, and the change mediator might be skilled in understanding the aspects which would or would not be able to sustain a desired business behaviour which steers towards positive outcomes. A project manager will need to consider how to equip the team to accomplish business outcomes, and not just project results. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

The Controlling and Monitoring Process Group is when progress and performance of efforts are followed, regulated and reviewed. Constant observation sheds light on the health within a project and focuses on areas that need additional attention. These include the necessity to meet the constantly changing expectations and needs of stakeholders.

If a project team learns about discontentment or doubt with an initiative, they must participate with stakeholders' in order to recognize the concerns and make the required changes in reply. This might entail applying modifications to an element of a project itself, i.e. altering changes or designs of how the project is being promoted or supported by the project champions. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

The Closing Process Group is used to end activities which will officially finish the project phase or project. The closing process needs a lot of thought when it comes to handling change. Project sponsors frequently close projects before time when a tangible deliverable was supposed to be given to an organization. As mentioned earlier, an end of the project is completed once the objectives of the project are met. Including in the project objectives the project value, a project value regularly depends upon organizational utilization and acceptance. A project must not be looked at as closed until the adoption of the organization and other project success metrics has been accomplished. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Though it might not be the immediate or continued duty of the project manager to handle the initiative up until the project value is made, the duty of the project manager is to ensure that essential foundations are put in place to help make it occur before moving ownership onto any other operations. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Another strategic component of a closing process is to understand that the lessons attained are utilized and taken to improve performance of the organization. Methods of project management that are static may be responsible for the failures in projects if the components of an organization's business environment change or culture needs change and if these changes are not reflected or considered in an evolution of the ventures objectives. Improvement and feedback make sure that the project management procedures may change as required in order to meet its business objectives. Figure 3 is a summary of change management activities in every Project Management Process Group. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Project Management Process Group	Key Change Management Considerations
Initiating	<ul style="list-style-type: none"> ■ Ensure that the "people" factor is given just as much consideration as more technical elements are at the outset of a project. ■ Identify all the relevant stakeholders, including those who can affect—or be affected by—a decision, activity or outcome of the project.
Planning	<ul style="list-style-type: none"> ■ When planning for a project, it is important to keep the end in mind. A project needs to create value for an organization, and one of the necessary prerequisites for value creation is organizational adoption. ■ Keep both organizational adoption and value creation in mind during the planning process.
Executing	<ul style="list-style-type: none"> ■ Manage stakeholder needs and expectations. ■ Utilize both subject matter experts and change agents during project executing processes.
Monitoring and Controlling	<ul style="list-style-type: none"> ■ Assess and meet the ever-evolving needs and expectations of stakeholders. ■ Adjust project plans and designs based upon stakeholder needs and concerns.
Closing	<ul style="list-style-type: none"> ■ Projects are not formally closed until organizational adoption and value creation are realized. ■ Lessons learned are captured.

Figure 3: Project Management Process Groups using key Change Management Considerations (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

CRM can be implemented during organizational change considering factors that contribute to successful implementation.

From literature, the concept of CRM aroused with the western (industrialized) environment (Sanzogani, 2008). Nonetheless, whilst considering the increasing pace of globalization and the dynamic nature of business which leads to the rising transfer of services, products as well as expertise and knowledge CRM has become well known globally including emerging countries for national and multinational organizations (Sage, 2006). (Mohammad A. T, 2008)

Among researchers a common acceptance is found on the categorization of CRM factors. CRM has several key factors: People, business relationships, technology, culture and processes. (Ali and Alshawi, 2002) The input of individual factors differs according to the level of the CRM execution. (Mohammad A. T, 2008)

Customer relationship management's comprehensive approach to CRM is that it promised to maximize its association with its clients, including "e-customers" or internet, suppliers and distribution of channel members. Getting to "know" each person via customer orientated business practices and data mining methods helps organizations to consistently and proactively offer services and products to improve client loyalty and retention over long periods of time. (Peppers and Rogers, 1999); (Chen & Popovich, 2003)

By investing in CRM technology without having a client focused cultural outlook, is similar to throwing money in a black hole the META Group reported (1998). Dickie (1999) advises against beginning a CRM initiative when senior management do not have confidence in re-engineering of a customer-centric business model. (Chen & Popovich, 2003)

CRM initiatives need a lot of time and attention from the project execution crew with representation from manufacturing, marketing, sales, information technology, customer services, etc. The IDC and Cap Gemini established that marketing, senior management, as well as sales management are the originators of commercial CRM projects (1999). Project teams need not only backing from senior management but also a project champion that is capable of persuading top management towards continued change efforts. Project squads aid organizations incorporate their core business practices and remove ones which are not worthy to the customers. (Chen & Popovich, 2003)

Implementation of technology in organizations, like CRM and ERP, necessitate adjustments in organizational cultures (Zairi & Al-Mashari, 2000). For successful CRM initiatives technology and business procedures are crucial; individual employees are the foundations of customer relationships.

There are a few essential aspects that prosperous CRM implementations need, such as management and employees. (Chen & Popovich, 2003)

A survey found that CRM adopters are completely satisfied with results only 15 percent of the time and 85 percent of companies large and small have not been fully successful in introducing CRM.

The study also emphasized that with careful planning and introduction, the likelihood of CRM success can be increased to more than 70 percent. So exactly where are organizations that adopted CRM early on going wrong and what is the mystery of the small percentage of organizations that have been prosperous in executing CRM with success? Where is the relationship between CRM technology execution and the successful client retention and its profitability? The answer lies far beyond a basic technology adoption within an organization itself, in its people and its processes. (Chakravorti, 2006)

When making a comparison of CRM expectations and tangible results with regards to implementations within numerous organizations, a general view of disappointment arises. Therefore the issue of higher failure rates of CRM projects is expected to exist in the emerging countries. When reflecting on the conditions in evolving countries an even gloomier picture may be faced, as these countries are even less industrialized economically and technologically and these elements contribute to CRM implementation problems. (Mohammad A. T, 2008)

The challenge in CRM is in aligning employees with customer strategies and processes. From twenty three percent of respondent executives from large north American organizations who were interviewed in 2003 in a Forrester's survey on organizational efforts by executing CRM, said they experienced problems during the adoption phase in CRM, forty six percent noted the biggest obstacles is resistance to process change. (Chakravorti, 2006)

Identifying successfully implemented CRM projects and by reviewing them it is one way to decrease high failure rates within projects. This method is allegedly used to overcome various hurdles whilst executing CRM, which focuses on the technological component of CRM and neglects other components within CRM including people in the business processes. Hence literature in the fields of CRM has seen an increasing academic and practical contribution to this topic. Many researchers have addressed this subject of trying to improve the success of CRM execution. (Mohammad A, 2009)

Literature on CRM was created on the nature of industrialized environments. There are four general factors of success: The support of senior stakeholders, vision and inclination towards change processes and the enthusiasm to share information. (Mohammad A. T, 2008)

An IBM CRM Global survey in 2004 of over 370 companies in the economist intelligence unit's global executive panel found CRM is a high priority. (Chakravorti, 2006)

1.3.2 CRM Success Factors

After going through several studies within the area of CRM success factors, several common factors are acknowledged below, (Mohammad A. T, 2008); (Oracle, Siebel CRM, 2006),

- Senior Management Commitment/Executive Support;
- Communicate/Describe the CRM approach;
- Culture Change;
- Inter – departmental incorporation;
- Skilled staff/Training to Empower End Users;
- Significant Data on clients;
- Manage IT framework; and
- Customer participation.

1.3.2.1 Senior Management Commitment and Executive Support

Upper management participation within the CRM execution plan is recognized as a success factor in almost all studies which confirms the successful execution of the CRM. Seeing the scope of the CRM implementation as an organization extensive strategy that needs the full backing from senior management level within the organizations framework. The role of the board level is necessary to back the CRM execution processes and for acquiring the required amount of financing for setting CRM projects into action.

Deprived of executive endorsement the CRM initiative may be dismissed as a gimmick. (Oracle, Siebel CRM, 2006); (Mohammad A. T, 2008); (Arab, Selamat, Ibrahim, & Zamani, 2010)

1.3.2.2 Describe and Communicate the CRM Approach

An explanation of the CRM strategy and its alignment for this strategy to be the organizations strategy will enable transition of changing work structures and environments towards customer-centric approaches. The absenteeism of a perfect CRM strategy or a lack of creating such a strategy can be the root of CRM implementation failure (Greenberg. 2004). Broadcasting of the approach to its staff is necessary to increase staff consciousness of the CRM objectives, consequences and benefits. Several projects fail due to this “obvious” success factor not being observed. (Oracle, Siebel CRM, 2006); (Mohammad A. T, 2008)

1.3.2.3 Culture Change

For CRM to succeed in realizing its purposes, organizations must introduce a culture in which all employees are invigorated to learn and share from new work structures and information which is centred on its clients (Alexander, 2004). Foreseen resistance of new methods of doing work tasks in the organization's culture are to be spoken about and curtailed. (Mohammad A. T, 2008); (Arab, Selamat, Ibrahim, & Zamani, 2010)

1.3.2.4 Inter-Departmental Incorporation

From a tactical point of view the implementation of CRM has an organization-wide effect.

Various departments and functions in the organization must be incorporated and associated to a structure that encourages the flow of information. Aspects within the organization must be combined; specific attention must be dedicated to functions that have a direct interaction with clients such as sales, services and marketing.

Integration is necessary to convey a unified view of the organization and its products to its clientele. (Mohammad A. T, 2008)

1.3.2.5 Skilled Staff

Employees are important in the success of a CRM project. Concerns on the nature of learning the new work systems, change resistance, training programs, inclination to share information and inspiring staff need to be taken into consideration. (Mohammad A. T, 2008)

Training may not come as an afterthought. Providing sufficient training to employees is vital to the success of the CRM project. Training must teach employees on how to efficiently execute business processes enabled by the CRM systems and may not purely focus on demonstrating how to utilize the software's functionality and features. (Oracle, Siebel CRM, 2006)

1.3.2.6 Significant Data on Clients

Obtaining and examining the accurate quality and quantity of information on clients, helps meet consumer requirements. The correct client information foundation is the foundation to designing tailored services and products. (Mohammad A. T, 2008)

1.3.2.7 Manage IT Framework

Seeing CRM as a technological resolution is an important misunderstanding that results in rising failures of CRM projects. Information technology enables one to obtain and manage important information on clients. Technological features like data warehouse software and capability configurations, including influences from internet is crucial for CRM successful implementation. (Oracle, Siebel CRM, 2006); (Mohammad A. T, 2008); (Kavosh, Abu Bakar, Melati, & Siti Zaleha)

1.3.2.8 Customer Participation

Direct as well as indirect contribution from customers in the CRM design can be instrumental in strengthening practical CRM. This involvement can help the organization to evaluate its customer relationship life cycle and accordingly identify problematic areas that could be realized by CRM.

Customer collaboration and acceptance of CRM systems can be improved by getting clients involved in developing CRM systems. (Mohammad A. T, 2008); (Arab, Selamat, Ibrahim, & Zamani, 2010); (Kavosh, Abu Bakar, Melati, & Siti Zaleha)

Success factors are categorized depending on its principal CRM part. The human part influenced five success factors: definition of CRM strategy, culture change, top management commitment, involving customers and skilful staff. The technological component influenced four factors: inter-departmental integration, key information on customers, managing information technology structure and customer involvement. (Mohammad A. T, 2008)

1.4 Purpose of Study:

Factors to achieve successful change in conjunction with CRM implementation will be researched.

1.4.1 Research Aims & Objectives:

For the replication and future implementation of change in organizations experiencing organizational change, the following factors are researched:

The researcher looks at the definitions of change and CRM;

Explain various models of change and the best ways to involve employees in the process;

Identify available strategies and contributing factors for successful management of change within organizations;

Discuss the contributing factors for effective CRM implementation; and

Determine the factors that lead to failure in change and CRM implementation.

1.4.2 Research Questions

What factors contribute to effective organizational change and CRM Implementation during these changes?

Can organizational change and CRM Implementation co-exist despite literature findings of organizational change being the cause of CRM implementation failure?

1.5 Research Methodology

The research studied organizational change factors and the relationship of CRM implementation success factors during changes.

In action research Rapoport (1970:499) suggested that the subjective participation of the researcher is required within the problem being investigated which tries to give to both its practical apprehensions that people have in instantly challenging situations and in its objectives in social science by the joint collaboration in a mutually accepted ethical framework. (Chin, Ding, & Unnithan, 2003)

Reflective, iterative process of a hermeneutic exploration is not required in a case study, but tries to find a phenomenon occurring in a context of real life (Yin 1994:13). The method of a case study, studies the event in context in order to understand complex real life events (Yin 1994). For that reason the traditional case study method was used, and in more detail a descriptive case approach, whereby the investigation starts with explaining theoretical construct and follows through its actual application by describing the case. (Chin, Ding, & Unnithan, 2003)

Case studies were utilized to assess the understanding and acceptance of the changes, the change approach, the willingness and ability of an organization to adapt to change and determine if support infrastructures were put in place to aid with the changes implemented (Sanborn). The case studies selected was based on the current situation of the engineering company being researched.

They were undergoing a change process at the time of this study. The situation was favourable in order to be able to follow the process in real time.

Qualitative research is a technique that allows a researcher to provide intricate interpretation without relying upon numerical valuations, in contrast, quantitative research is research that addresses objectives using numerical measurement and analysis. The nature of the current research is such that a case study was used. The qualitative approach was used to infer conclusions.

Overseeing change necessitates a leadership team with communication, project management and analytical skill with a high level of result orientation.

For successful and effective organizational change and CRM implementation the following research propositions were proposed for research,

Manager participation in change and CRM implementation decreased resistance to change.

Improved communication and information exchange reduced resistance to changes;

Employee commitment improved with understanding the need to change;

As trust in management increases, successful change can be implemented; and

For successful change implementation, the human aspect must be considered to avoid resistance.

1.6.1 Case Study Organizational Change and CRM Implementation

The case study is based on a current situation within an engineering company in South Africa with headquarters that are in Germany and have been in existence for over eighty years. They are global leaders in drive technology and automation, solving complex power transmission challenges by offering customized solutions, with manufacturing facilities and assembly plants on every continent.

The engineering company operates in over 50 countries supplying equipment to the food and beverage industries, the mining and process industries, the automotive assembly industry, airport carousels and various other industries and are found in almost every discipline. The engineering company has a staff compliment in excess of 10000 employees and an approximate turnover of 40 Billion Rand, the company drives economies forward. The engineering company had undergone and are in the process of organizational change.

For the first time in the company's history, a zero percent profit margin was recorded for a month whilst production volumes steadily declined. The misappropriation and wastage of funds by directors and senior management, abusing their positions indebted the company, along with the inappropriate use of company assets and resources for personnel gain, meant several business codes and ethics were breached.

Among the usage of funds was for extravagant travels that were often not necessary, as problems could have been resolved remotely from Johannesburg without needing to travel to various branches locally and abroad. This continued mismanagement of funds destabilized the company that led to overdraft facilities being utilized and maximized.

The engineering company needs to implement change to sustain itself. The organization itself will not change but the individuals attitude within the engineering company needs to change. The engineering company has found themselves in a crisis situation.

They will need to move from the current state towards an ideal state by adopting PMI standards which includes using programs, projects and portfolios.

By incorporating change management activities into decision making and project design, the quality of the complete and ultimate goal of the engineering company increased. Project managers will facilitate the adoption and managing of the organizational change.

The ADKAR model is used to assist individual change. Prosci's approach will ensure that the engineering company results are accomplished as it integrates organizational and individual change management methodologies.

CRM was incorporated into the existing ERP system to increase efficiency, profitability and customer satisfaction in the engineering company which would be advantageous against its competitors. The change was due to internal and external pressures.

Exorbitant cost to companies was made available to senior managers. Nepotism was being practiced openly, non-relevant positions created, excessive and unwarranted marketing campaigns camouflaged the true financial position of the company. Unreasonable local targets of a one billion Rand turnover were benchmarked, whilst in reality the company's figures were actually deteriorating and declining. Employees were deceived with constant renovations and new offices being purchased to align itself with the engineering companies' prestigious image.

Fraud was intercepted which meant the NPA intervention was necessary, thus making the availability of financial statements and related documents not possible due to the sensitivity of the matter and on-going investigations.

Fraud and corruption is affecting society, with talking more and having no or little action together with immense corruption is evident. CESA knows that members are pressurized by contractors and unethical officials who want them to certify payments for jobs which are not complete. To CESA this is a serious matter and will be harsh by holding those that are in power accountable. (The Consulting Engineers South Africa, 2016)

This led to a host of problems including loss of productivity, which meant policies and various software's were to be implemented to regulate and curb management concerns and suspicions, keeping in mind the engineering company was also trying to attain ISO certification which also required various processes to be implemented and criteria to be met.

The organization has been market leaders and innovators for years and noticed a decrease in client tenures, bearing this in mind along with the organizational changes being implemented, the board decided to implement CRM which in Europe has proven to be effective.

Primary factors in CRM development are inventions in customer/server computing, network infrastructure and business intelligence applications. CRM delivers repository solutions of customer data at a portion of the cost of older network technologies. CRM systems are capable of storing, accumulating, distributing and maintaining customer information all through the organization.

Successful handling of data plays a vital role in CRM. Data is important in customizing products, innovation of services, viewpoints from customers and in calculating customer lifetime values. (Chen & Popovich, 2003)

Prior to collaborative CRM implementation at the engineering organization they utilized a SAP ERP system, which is a business management software used to integrate various applications within an organization i.e. gather, store, manage and interpret records from numerous business activities, including: Product marketing, product planning, product costing, sales and inventory management.

In 2014 the organization decided to invest in CRM in order to adopt strategies that are more customer related. (Day 1994, 1999, 2000s, & 2003) concerned himself with CRM as a strategic market relating processes and capabilities, Zablah, 2004 with the interaction processes and knowledge management along with customer loyalty, profitability, acquisition and retention as key factors.

The aim was to improve customer relations, the organizations selling, marketing, service processes and in essence its profitability.

CRM is a priceless business model and if correctly implemented it could be an important driver of customer loyalty, organizational profits and competitive advantage. Fortunately, this has been the experience of a number of CRM pioneers who have successfully implemented customer relationship management. (Chakravorti, 2006)

General Managers of sales and operations communicated the need for CRM and briefed the entire organization about the changes that were going to be implemented. Through internal marketing campaigns, awareness was created.

While the changes were taking place at the engineering company employees experienced feelings of uncertainty, levels of trust between employees and management reduced, stress levels increased and a decline in the level of commitment was observed. Therefore factors that contribute to effective change implementation was followed throughout the change process in the engineering company to minimize employee resistance and to get all employees on board.

CRM applications benefit from technological innovations having the ability to accumulate and analyse the data from client trends, interpret the customer behaviour, development of predictive models, respond timely and effectively with the customized communications, and the delivery of products and services value to distinct customers. Utilizing technology as a form to “enhance interactions” with companies and their customers, to get a complete observation from clients in order to learn from their past interactions in order to optimize their future ones (Chen & Popovich, 2003)

Quality CRM technology, customer database creation and management are essential but not sufficient for implementing a successful CRM strategy. CRM as a strategy is significantly concerned about customer profitability. CRM as a technology helps achieve this through development of massive systems databases which store transactional data gathered from all corners of the organization, analytic tools allow segmentation, which is based on transactions, calculation of customer lifetime values and net present values NPV of marketing campaigns, data mining, churn modelling, analysis of trends and future purchase patterns so that services and products can be correctly targeted. (Chakravorti, 2006)

An additional component of the technology that is less frequently discussed is technology that improves collaboration and communication with colleagues, partners and customers. Speaking in IT terms, CRM is a form of complex integration software, hardware and application. (Chakravorti, 2006)

German intervention was necessary, the executive chairperson visited South Africa and strategic changes were implemented.

This case study will research the necessary elements that are essential for successful change processes in this particular case, focusing on the organizational changes and CRM implementation within the engineering organization.



Chapter 2: Presentation of Findings

2.1 Change

The researcher wanted to discuss the definitions related to organizational change and CRM.

2.1.1 Definition of Change:

The engineering company had undergone change. It is vital to understand the definition of change in order to understand why it was necessary for the company to move in this direction.

Change is inevitable in organizations and a consequence of putting together different projects, but the change process is something that can be managed, state Nelson and Quick Organizational adaptiveness, responsiveness and flexibility are important characteristics which determine competitiveness and survival. A project is a different and non-permanent group of activities which has a beginning and end time clearly stated, mapped out and designed in order to accomplish its predefined goals (PMI, 2013). Among shared assumptions within the conventional perspectives is that change cannot be avoided (change is seen as good and stability is seen as bad) and change can be controlled as well as managed. (Pieterse, J. H., Caniëls, M. C., & Homan, T. (2012); (Weick & Quinn, 1999); (Perspective, 2005); (Ziemba & Obłąk, 2015)

Change is the only constant. How it is followed is the only the difficulty. Transformation and change are very often used as interchangeable terms in business. Change is seen as a process of coping that moves from the state it is in to the state that is desired by an individual, organization and group which can take part in, in response to a dynamic external and or internal factor that can change the current realities. The engineering company would have experienced financial difficulties which would have resulted in the company experiencing further challenges. Therefore it was of utmost importance that they moved from its current state into a desired state for the company.) Change is only effective with a change in attitude. Often organizations need to change processes that exist.

It is linked to transformations taking place in management and implementations of information systems. (Wageeh, 2014); (Ziemba & Obłąk, 2015)

The engineering company had to realign processes during the changes that occurred at management level.

Nelson and Quick's definition of change is that it is a modification or transformation of an organization with its stakeholders, suggesting transformation being a subset of the change and the change is a worldwide occurrence. They propose change exists in the categories below:

- Incremental change: these are minor changes that are continuous in order to make enhancements within the organization;
- Strategic change: these are changes made on a big scale, moving from the old state to a new state, which is attained by a series of stages; and
- Transformational change: organizations that move from a drastically different state or even at a state that is not known, this type of change involves change made to leadership, vision and mission. (Perspective, 2005)

2.2 What is Organizational Change?

Organizational change is not merely a process wherein the old is replaced by the new; it is also an adjustment of ideas. The management process entails a holistic (overall) method, which includes all variables and dimensions of organizational management. The process of change entails the evolution of climate, culture and thought patterns that support change. The transformation process also involves a change of minds and hearts of all individuals affected by the process. (Knipe & Van der Waldt, 1999)

It's a process wherein an organization optimizes its performance by becoming an ideal model. Initially simple, incremental change can become strategic if there is synchronization of change within other parts of the institution. The management of strategic change is a deliberate process that is planned, enabling an institution to adapt proactively to changing circumstances. (Knipe & Van der Waldt, 1999)

Change is an intricate procedure which has either negative or positive outcomes and due to this, is definitely worth observing any facts that are available to enable processes to be carried out effectively and efficiently. (Barnard & Stoll, 2010)

Van de Ven and Poole give definitions of change as below: change is a step up of events within the organizations entity and its presence over time; change seen as one occasion, is observing the difference in the form, the quality, or the state over time within the organizations entity; the entity could be the individual's job, the organizations strategy, the work group, a product, a program, and its overall organization. (Wikström, 2004)

2.3 Types of Organizational Change

Organizational change models are made up of two main types, when one is able to precede directly from ones current state towards another state then this is known as the prescriptive approach. During change which is not predictable or is not planned then the emergent approach is used. Kurt Lewin introduced the definition of planned (the prescriptive approach) to differentiate between any changes that are planned and consciously undertaken in the organization, as opposed to change occurring by impulse or accident, that which an organization may be forced to undertake); (Liu, 2009)

The original theory of Lewin has been condemned for being applied to small-scale samples as well as the fact that it is based on assuming that an organization can perform under controlled conditions that will be taken into account and planned on it being small-scale samples. As a result of criticism, another approach to organizational change is developed and known as an emergent approach. This method views change as fast and unpredictable which cannot be managed from the top down.

As argued change is a learning process, wherein the organization can respond to any internal or any external changes in the environment. Todnem (2005) said that this approach is based on "change readiness and the facilitation of the change instead of provisions for specific pre-planned steps of each of the project change and initiative stages. (Barnard & Stoll, 2010)

Emergent change is ongoing accommodation, adaptation and alteration that create an important change without prior intention to do so. (Liu, 2009)

Armstrong identified change consisting of two types that is, strategic change and operational change. He mentioned change that is strategic over long periods and entails issues experienced in the organization like mission, corporate philosophy and the strategic vision. Change that is operational is based on new technology, procedures, systems and structures which immediately has an effect on work arrangements in a portion of the organization. (Bonsu, 2014)

2.3.1 Reactive (Emergent) vs. Proactive (Planned) Change

Stacey (2005) proposes most organizations currently function at the 'verge of chaos occurring and distant from its equilibrium' that operates with aspects of stability and instability interlinked and are hard to unwind. Organizations must have knowledge on how to function under different situations as being too stable and too controlling can lead organizations to become nonresponsive to the environment and cause a decline in their functioning and operation Burns (2006:149) claimed that disequilibrium is an obligatory condition for the development factor of dynamic systems. Change is a concept of being continuous or emergent. (Thomas, 2014); (Liebhart & Lorenzo, 2014)

Reactive change is characterized by changes introduced due to a response from an external situation or operational problem experienced internally or due to a managerial problem.

The misappropriation and wastage of funds by directors and senior management, abusing their positions indebted the engineering company, along with the inappropriate use of company assets and resources for personnel gain, meant several business codes and ethics were breached.

Among the usage of funds was for extravagant travels that were often not necessary, as problems could have been resolved remotely from Johannesburg without needing to travel to various branches locally and abroad. This continued mismanagement of funds destabilized the company that led to overdraft facilities being utilized and maximized.

This change is due to pressures from external forces. Changes are made due to a specific situation and are therefore unplanned. Management makes changes to deal with problems in quick and repetitive ways because they are unable to analyse the situation due to time and setup plans for environmental events, threats and the opportunities to be reacted to immediately. (Liebhart & Lorenzo, 2014); (Thomas, 2014)

Proactive change is change where the company is presently not experiencing any substantial problems, nevertheless managers anticipate the necessity to change, to place the organization in a healthier position, or where current potential complications are foreseen. Planned change management strategies consist of consecutive phases for altering individuals and an organizations behaviour. This process is used when decision makers recognize change that needs to be made after the inhibiting and enabling forces of the environment has been analysed. Emergent change cannot be predicted, it is unintentional and arises from many places and includes informal self-organizing.

This type of change known as emergent happens 'in real time' which continues to re-align itself within its environment, as well as continuous learning and strategic decisions been made. It is iterative. Change emerges concurrently in order to arrange work within specific structures involving any improvements in the existing enabling situations within an organizations surrounding. (Thomas, 2014); (Liebhart & Lorenzo, 2014)

2.4 Contributing Factors to Change

Organizational change takes place in reply to an ever-changing environment, as a reaction to a current crisis, from a passive point of view. Whilst from a proactive perspective it is prompted by a progressive manager. (Woei Suen, Mei Chen, Jong Lin, & An Shieh, 2011)

Change as seen in the case study is frequently related to crisis and is the main reason explaining the difficulties in managing it. As stated by Parker (2013a) it's a business must that organizations utilize project-based initiatives that act as levers in the success for change in organizations.

Management and organizational research demonstrates repeatedly that good leadership and change management has a great impact on implementation rates for successful organizational projects. (Hornstein, 2014)

An organization is obliged to consider the explanations given for the change, the internal state and external environment determine which elements are to be changed. Recognized goals of organizational change consist of, strategy, vision, structure, cultures, systems, leadership style and production technology. Vision includes the company's core value of the organization and being able to adapt to external environmental demands.

When an organization endures change, a determination of the core values must first be made so during its transformation phase, it is preserved. (Woei Suen, Mei Chen, Jong Lin, & An Shieh, 2011)



2.5 What is CRM? And Reasons for CRM

Customer Relationship Management is a term frequently utilized in "information technology (IT) vendor and practitioner communities from the mid-1990's. CRM is seen as a 'business philosophy' that lays the stage for customer-centric strategies as explained by Reynolds (2002). CRM is established on the notion that if companies want to capitalize on long-term profits, client requirements must be understood and leveraged. (Ballard, 2008)

Payne and Frow (2005) mention the meaning of CRM varies extensively. On one side it comprises of tactical and targeted technological solutions, whilst on the other end it takes into consideration relationship management as a holistic and strategic approach to increasing the shareholder value. (Ballard, 2008)

Customer Relationship Management is seen as an amalgamation of processes, people and a technology that strives to appreciate the company's customers. (Chen & Popovich, 2003)

Customer Relationship Management is a business plan that incorporates external networks, internal processes and functions to create and provide value to the targeted customers at a profit. They are based on the high quality of customer data and is supported by information technology. (Reiny, 2004)

Why CRM? In almost all industries and global regions, forward-looking organizations are currently investing in customer relationship management technology in order to support the adaptation of many customer centric strategies. The sooner organizations understand the strategic value of CRM technology to gain increases in revenue, in productivity and customer satisfaction they will have a significant lead on competitors who lag in this implementation of technology. The aim is to improve the company's marketing, selling and services processes. Various literatures support the link between loyal customers and the increase in revenue. (Ballard, 2008); (Chakravorti, 2006)

It is understood that in companies seeking an advantage, they are sooner implementing technologies which they would like to increase profits by satisfying and maintaining existing customers. Customer relationship management is one such technology. (Ballard, 2008); (Chakravorti, 2006)

The goal of CRM is used to decipher customer information into tailor made services and products that will accommodate the dynamic demands of customers in order to attain their loyalty. A complete commitment from the organization's personnel and management is necessary for an effective CRM implementation to attend to customers and best appease their needs. (Mohamed, 2008)

CRM in its initial stages was misinterpreted as a mere technological tool resulting in many disappointments. A sizeable segment of CRM is technology, perceiving CRM as a technology-only solution will likely fail. With regards to a successful CRM implementation there has to be an integrated and a balanced approach to the technology, the process and people. (Chen & Popovich, 2003); (Chakravorti, 2006)

2.6 Types of CRM

There are three dimensions of CRM, Analytical, Operational and Collaborative. (Chakravorti, 2006); (Parragh, 2010)

- Analytical CRM applies to analytical tools wherein transactional data is stored within data warehouses to predict the future trends and the purchasing patterns of clients;
- Operational CRM promises business processes that would optimize management relationships with clients; and
- Collaborative CRM is based on collaboration and the integration of resources in the organization, between itself, its business partners and its clients. (Chakravorti, 2006); (Parragh, 2010)

There are two main options of CRM, 1) packages installed on ones premises and 2) a hosted CRM solution.

On Premises CRM, there are various CRM systems available and purchased of the shelve. Companies like as Siebel, Oracle, SAP and Chodiant offer these.

Hosted CRM is web based applications which does not need any software to be download, in a case like this the CRM stays online and companies rent these services from companies like Sage Software, NetSuite, SAP and Microsoft dynamics.

Social CRM is described as a discipline that utilizes the tools and services available in social media to satisfy and entice customers. Social media in conjunction with CRM can be used to observe what is being said about an organization and its products within the social media realm. HubSpot, Vitruve and HootSuite are companies that tender web-based applications that facilitate organizations in effectively publishing content, track brands and check responses on social media sites.

A number of companies have successfully adopted the new paradigm that proved Social CRM can have a significant benefit effect on each of the functional areas within a business. Applications of social CRM encourage participation from a number of stakeholders to back marketing, sales, as well as customer and business processes. It allows customers within various situations, such as, ideas for innovations, service development and new products, marketing by word-of-mouth, comparison in prices and product reviews. (Ontario, E Business Toolkit, 2013); (Services, 2012); (Marolt, Pucihar, & Zimmermann, 2015)

Social CRM can profit organizations, since it increases contacts and has instant engagement with clients. It could offer other methods to gain feedback from clients with regard to an organizations brand, its products and the services it offers. The advantage of using this approach is that it can be quickly implemented.

Organizations must align their Social CRM in their overall marketing strategy and in their brand management. Bearing in mind an organization may have limited control over negative feedback posted about brands, products and services.

To apply Social CRM, organizations may need to make sure employees have sufficient knowledge, background and training of social media. (Services, 2012); (Marolt, Pucihar, & Zimmermann, 2015); (Ontario, E Business Toolkit, 2013)

A cloud-based CRM exist. Cloud computing services is becoming increasingly trendy which offers a cost-effective solution for businesses to accumulate consumer data. Cloud computing is a system of shared computing services which can be retrieved via the Internet (e.g. Dropbox, Gmail). Numerous CRM cloud-based systems that are available that grant businesses access to, organize and analyse information with regards to customers and online sales. Cloud-based CRM software assists with data integration from numerous sources and services that are also cloud-based as well. (Ontario, E Business Toolkit, 2013)

Perfect CRM

A perfect CRM can be unachievable and from the practical perspective will rarely be required. When systems are perfect then by definition it may not be changed. In the ever-changing business environment, changes to systems and procedures will constantly be needed. (Corner & Rodgers, 2005)

Good CRM

Good CRM operations contain the following features:

- Directors, the chief executive officer and managers perceive this to be an integral business system providing important data for the management of the business;
- Revenues per client increased, the numbers are identified, studied and observed;
- Clients are retained for longer periods;
- New client numbers grew and more prospects identified and being attracted these numbers are identified, studied and observed;
- Employees at the interface with current customers and prospects enjoy utilizing the system as it makes their tasks easy and they derive benefit from using it;

- Functional departments using CRM have a reduced staff turnover;
- Staff and managers consider the system as allowing them to perform their tasks easier and not as a way of monitoring their behaviour;
- Customer data is more precise and useful;
- Staff developed useful 'work-arounds' if the system has a few small flaws for until it can be changed on the system;
- By using the data being generated, the organization looks at the possible benefits of extending aspects of the system;
- When a malfunction within the system exists staff tend to focus more on rectifying it than complaining about it; and
- The system's faults are acknowledged but staff are proud of it and pleased with their role in it. (Corner & Rodgers, 2005)

Firstly, an assumption can be made that people will accept new systems, is because they have had its benefits explained to them. Secondly, people always place the interests of their organization above their own immediate interests. Thirdly, managers always put the interests of the organization above the immediate interests of their departmental function and fourthly, different functions share the common view of the best interests of the organization. These assumptions, strongly grounded in positive thinking, avoid addressing the realities of how people react to change. (Corner & Rodgers, 2005)

As a project progresses it becomes more difficult to correct invalid assumptions made. At times some projects are never corrected. Management often make the assumption that once a strategic plan is determined, they must work on a process of alignment which involves management control over all that is required to accomplish this plan. Eric Monteiro's perspective was more realistic and mentioned that alignment requires a process of negotiation. (Corner & Rodgers, 2005)

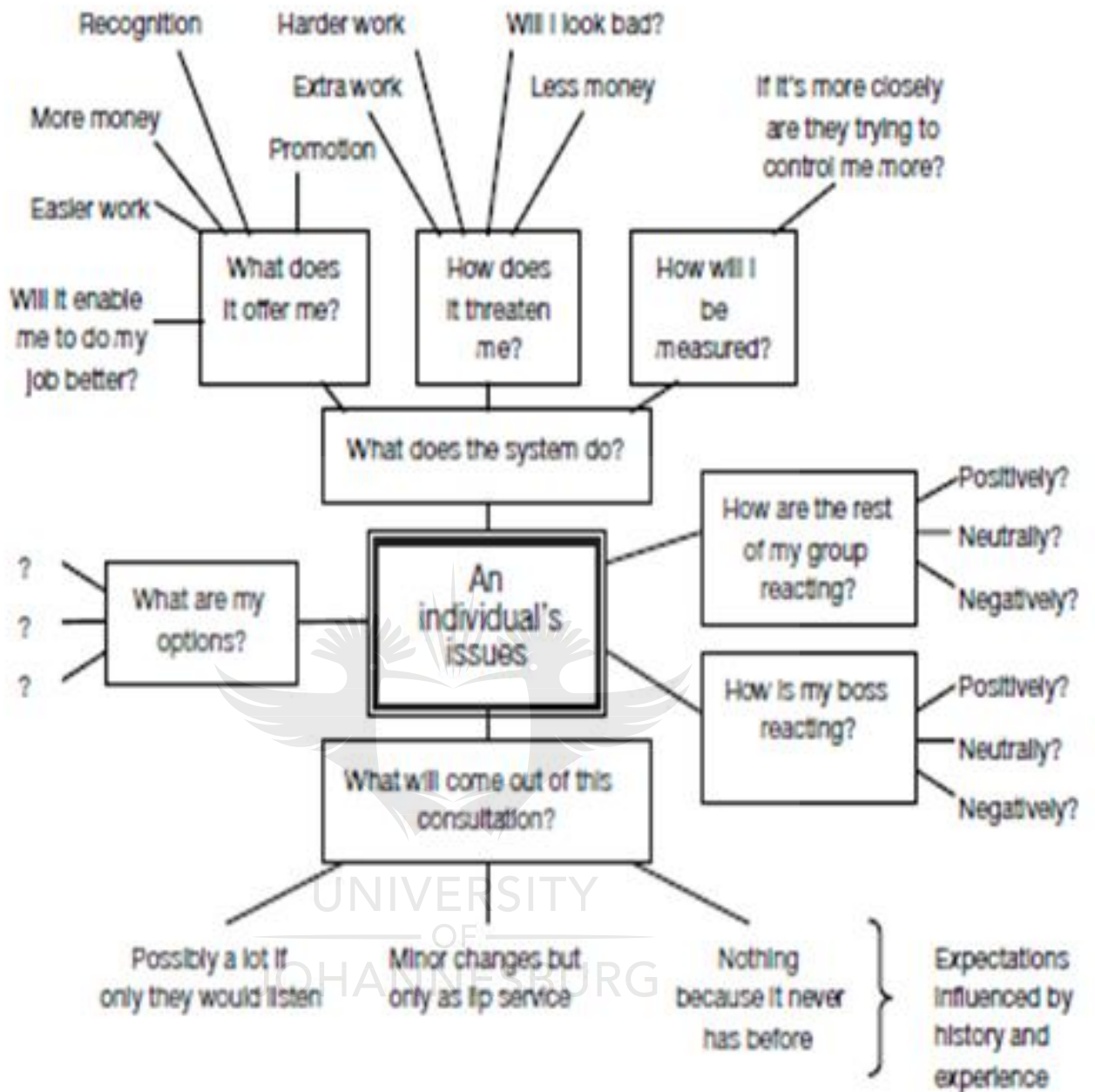


Figure 4: Basis for Drawing up a Preliminary Assessment. (Corner & Rodgers, 2005)

2.7 Contributing Factors to CRM

Information technology research and consulting company Gartner reported there are three steps to generating a successful CRM strategy. (Ontario, E Business Toolkit, 2013). The steps are:

1. Establish clear and anticipated results for CRM, ascertain the steps to achieve this vision and observe the movement towards these goals. (Ontario, E Business Toolkit, 2013).
2. The CRM strategy can be included into the total business model to align with strategies from other functions such as marketing and sales. (Ontario, E Business Toolkit, 2013).
3. The CRM strategy can include the following eight facets: strategy, vision, customer information, customer experience, organizational collaboration, technology, processes and metrics. (Ontario, E Business Toolkit, 2013).

Global studies ranked CRM in the top 10 tools utilized by managers, although the failure rate for CRM is exceptionally high, recent studies indicate approximately thirty three percent of all implementations fail to produce the results they were intended to. (Reiny, 2004)

CRM is seen as an enterprise-wide customer-centric business philosophy composed around the customer. An uninterrupted effort that redesigns core business processes, commencing from the customers perspective and involves customer feedback. (Chen & Popovich, 2003)

Customer relationship marketing practices considers individual customers and needs the company to be structured about the consumer, instead of around the product. Customer-centric organizations easily combine marketing and other business functions in order to better service customers and react to the market pressures. Organizations that reach this stage benefit from the marketing-manufacturing interface that result in the flexibility to meet shifting customer requests competently and effectively. (Chen & Popovich, 2003)

Couldwell (1998) shows CRM is a combination of technology and business processes that tries to understand organizations customers from the perspective of who are they, what they do and what they like. Organizations are frequently reminded that failure is inevitable if CRM is viewed as only a technological solution (Chen & Popovich, 2003)

Customers must understand the benefits they will enjoy from CRM implementation. Organizations also need to understand how customer experience is going to be affected by the CRM implementation. (Reiny, 2004)

Executing a CRM system is not just about installing a software package. Functional areas across the board within a business must engage that is, human resources, IT, sales, marketing and product development, etc. (Ontario, E Business Toolkit, 2013)

Potential risks like insufficient return on investment, project failure, unintentional project budget revisions, confidence of employees are lost, unhappy customers and diversion of key management resources and time must be considered. (Chen & Popovich, 2003)

Three important issues identified that attribute to the success or failure of CRM implementation is employee enthusiasm to support CRM implementation, customer centric organizational culture and top management involvement and leadership in managing a CRM implementation. (Reiny, 2004)

Chapter 3: Findings on Common Change Models

Once the definitions of organizational change and CRM were discussed to enhance the reader's knowledge, the researcher moved onto explaining the three commonly used models of change. By understanding the various models of change the most appropriate one will be selected and implemented to guide the engineering company through their change processes.

3.1 Models of Change

The three most commonly described models used when going through a change are Kurt Lewin's Change Management Model, Kotter's Eight Step Change Model and McKinsey's 7-S Model to Change. (Weick & Quinn, 1999); (Visagie & Steyn, 2011); (McGarvey, 2014)

3.1.1 Lewin's Change Management Model

Kurt Lewin was born in the Prussian province of Posen in 1890 in the village of Moglino and qualified at the University of Berlin with a PhD in psychology. Once attaining his degree, in 1933 he settled in the United States to concentrate on social psychological issues. He applied psychology to the problems of society and started the M.I.T Research Centre for Group Dynamics (McGarvey, 2014)

The three-step change model was presented by Kurt Lewin. Being a social scientist he viewed behaviour as the active balance of forces operating in opposing directions. The driving forces bring about the change as they move employees into the anticipated direction, whilst preventive forces on the contrary move employees into the opposing direction. (Samuel, 2013); (Boohene & Williams, 2012)

His ultimate objective has been to "reach beyond the mere explanation of group life and to investigate the conditions and forces which bring about or resist change" (Marrow, 1969).

Having authored eighty articles and eight books dealing with matters in psychology, his greatest achievement was the "unfreeze, freeze and refreeze" model known as Lewin's Change Management Model. (McGarvey, 2014); (Mitchell, 2013)

Organizational change is a common trait found in all businesses irrespective of size, industry and age He used an analogy of changing a shape of an ice block like the illustration below to explain organizational change. (McGarvey, 2014)



Figure 5: Lewin's, 3 Step Model of Change Ice Analogy, (McGarvey, 2014)



Figure 6: Lewin's 3 Step Model, (Fred, 2010)

Unfreezing

Unfreezing is possible by bringing forward new information that reveals inadequacies within the current state or also the reduction of strength of current values, attitudes and behaviours. Unfreezing is frequently stimulated by crises. (Fred, 2010); (Mitchell, 2013); (Rees & Hall, 2013)

Moving

After an organization reaches the unfrozen state, it is changed by moving. This involves the development of new values, behaviours and attitudes through internalization, identification and restructuring.

Changes are minor and may involve only a few members, such as changes involving recruitment and in selection procedures, whilst other changes maybe major and involve numerous participants.

Instances include the restructuring of many jobs and changes to several duties performed by the staff, looking at new systems or reshuffling departments or an entire organization, which may require the relocation of staff within different sites in the organization. (Mitchell, 2013); (Fred, 2010)

Refreezing

The ultimate step in this process is about stabilizing the changes at the new quasi-stationary equilibrium, this is called refreezing. Changes within the organizational culture, within the organizational policy, changes in staff norms or by making changes within the organizational structure can lead to the accomplishment of this. (Mitchell, 2013); (Fred, 2010)

Lewin's final step "refreezing" takes place after the necessary change has been executed in order for it to be sustainable or "to stick" over time. There is a possibility that the changes made are carried out for a short period and that employees will go back to their old behaviours if the above step is left out, it serves as the first step towards integration of new values into the community values and traditions. The reason for refreezing is that it stabilizes the new behaviours that come from change processes by balancing the driving and preventative forces. (Samuel, 2013); (Rees & Hall, 2013)

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3.1.2 Kotter's 8 Step Change Model

John Kotter was born in America in 1947 and heads the research at Kotter International, where he teaches the High Potentials Leadership Program at Harvard Business School. Kotter introduced the eight-step change process in his 1995 book "Leading Change" shortly after Kotter began teaching at Harvard Business School. Creating a powerful coalition, involves bringing the precise individuals together to lead the company towards a change and continue to create an urgency about the change. (McGarvey, 2014)



Figure 5: Kotter's Eight Step Change Model, (Tekowhai School)

Built on Lewin's three-step change model, Kotter established a more thorough approach to handling change. He listed usual mistakes leaders were guilty of when initiating change. (Fred, 2010)

Among these is the lack in capacity to generate a sense of urgency for the need to change, failure to create an alliance for managing the change process, the omission of a perception for change, failure to effectively communicate this perception, failure to remove obstacles that can hamper the accomplishment of this perception, failure to provide temporary achievable goals, the tendency to announce victory ahead of time and failure to root the changes into the organization's culture. Created on the footing of these mistakes, Kotter offered the eight-step process for managing change. (Kotter, 2007); (Fred, 2010); (Rees & Hall, 2013)

Step	Description
1. Create a sense of urgency	By creating a plausible reason to unfreeze an organization as to why change is needed, by examining the market and competitive realities. (Kotter, 2007) (Fred, 2010); (Rees & Hall, 2013)
2. Create the guiding alliance	Institute cross-functional, cross-level group of people with influence to head the change. Inspire the group to work together as a team. (Kotter, 2007); (Fred, 2010); (Rees & Hall, 2013)

3. Develop a vision/perception and strategy Generate a vision and strategic plan that will guide the change process. Create the strategies to achieve the vision. (Kotter, 2007); (Fred, 2010); (Rees & Hall, 2013)
4. Communicate the change vision/perception Create and execute the communication strategy that will reliably impart the new vision and strategic plan. Teaching new behaviours from the example set by the guiding coalition. (Kotter, 2007) (Fred, 2010); (Rees & Hall, 2013)
5. Permit broad-based action Remove interferences to the change; inspire risk taking and artistic problem resolving. Change structures that completely undermine the vision. (Kotter, 2007) (Fred, 2010); (Rees & Hall, 2013)



3.1.3 McKinsey 7S Model

The McKinsey 7-S Model differs when compared to Lewin and Kotter's change models; it considers the characteristic of co-ordination instead of structure in organizational effectiveness. The model was introduced in the late 1970's by Robert Waterman and Tom Peters. Their objective of the model is to illustrate how the seven different elements of a company can be aligned together to attain effectiveness in the workplace. (McGarvey, 2014)

It was utilized to create a cohesive strategy, to examine the organization and what contributes to the success of an organization. The framework consists of three hard elements: strategy, system and structure and four soft elements: skills, style, staff, and super ordinate goals. Without an obvious starting point, those elements are equally important and interconnected, which means altering one element may well impact on others. (Ravanfar, 2007); (Liu, 2009)

The summarized 7S elements stand for:

- Strategy: The definition of important methods for an organization to accomplish its goals;
- Systems: Business processes and technical platforms utilized to supply backup to the operations;
- Structure: The organization of resources in a company into diverse business teams and groups;
- Skills: Abilities to complete various activities;
- Style: The culture of the organization in terms of leadership and interactions among stakeholders and staff;
- Staff: The sort of employees, remuneration packages and how they are lured and retained; and
- Shared Values: Summarized in a mission and or vision.

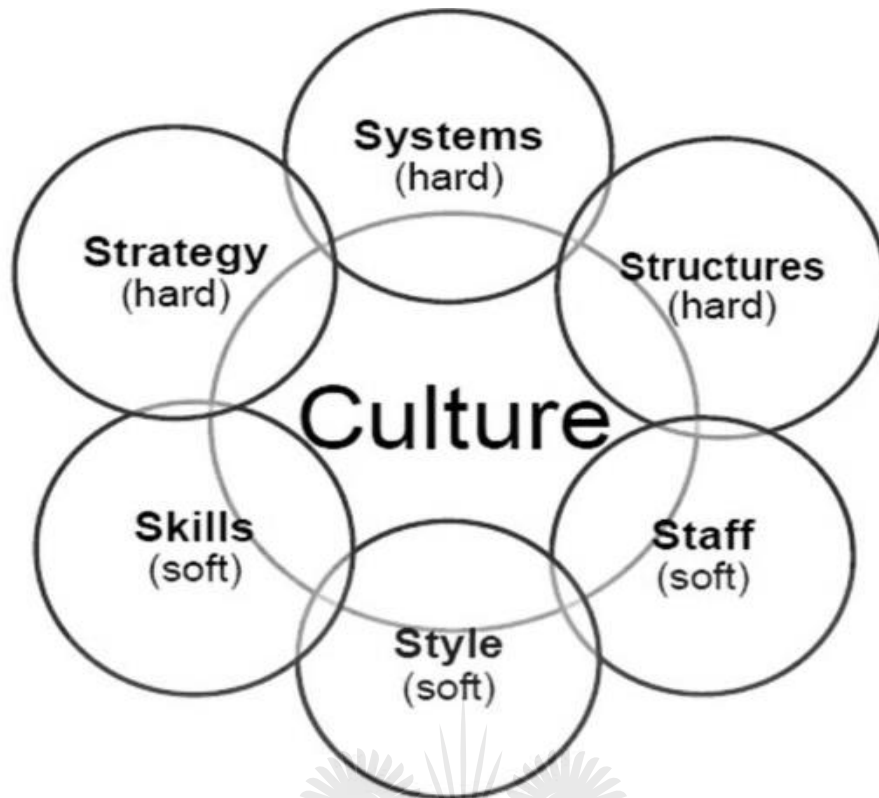


Figure 6: McKinsey 7S Model, (Leading in a Changing World)

There are the three elements within the model that are easier to describe. Management has an easier time inducing the hard elements into an organization i.e. strategy statements and organizational charts. The four soft elements: skills, style staff and shared values are tougher to describe and is influenced by the culture rather than management. (Ravanfar, 2007); (McGarvey, 2014)

As can be seen in the diagram above, all seven of the elements are interdependent of the other. Change in one element influences change in the outstanding six. Mourfield, R, 2014,

Waterman and Peters reckon the model is best utilized in five steps. They consider it essential to first recognize the elements of the framework that are not aligning properly.

This step involves distinguishing the inconsistencies between the relationships of the elements. The second step, the company must determine the ideal organization design. It's vital to keep this in mind as this will vary from organization to organization. (McGarvey, 2014)

The third stage determines what and where changes are to be implemented. The fourth step comprises of making these changes that are required. Waterman and Peters believe this step is the most imperative stage in the reorganization process. The fifth and final stage is to constantly review the 7S framework. The 7S's will continuously be changing and it's significant to keep up with each element independently. (Ravanfar, 2007); (McGarvey, 2014)



Chapter 4: Finding the Link between Project Management and Change Management to Organizational Change

The terms project management and change management are constantly used within organizational processes. This chapter will explain these terms and integrate the two as well as the integration of CRM.

4.1 Project Management

What is Project Management?

Project Management is to apply skills, knowledge, tools and techniques to meet project activities and requirements. This can be attained using the following processes like initiating, planning, executing, controlling and closing. (Project Management Institute, 2000)

The project team manages work within the projects, its work normally includes:

- Challenging demands of the: Cost, scope, time, quality and risk;
- Sponsors having different expectations and needs; and
- Recognized requirements.

It's imperative to identify the processes in project management that is repetitive in nature. This is in part due to the existence of and the requirement of progressive elaboration within a project all through the projects life cycle, i.e. the more information known about a project, it can be managed better. (Project Management Institute, 2000)

Project management is occasionally used to explain an organizations approach to management of its continuing operations. This system appropriately termed "management by projects" treats various aspects of continuous operations as projects to be able to use project management techniques on them. The comprehension of project management is crucial in an organizations managed by projects. (Project Management Institute, 2000)

Project management is viewed as a set of ideologies, techniques and methods of effectively planning for objective oriented work, in order to establish a basis of effectively scheduling, re-planning and controlling the management within projects and its programs. (Bakouros & Kelessidis, 2000)

An organization is provided with powerful resources to improve an organizations capability to plan, organize, control and implement activities and the manner it utilizes its people and resources. The motivation for starting a project is to gain its goals, having the idea of organizing a task as the project is to concentrate on the reasonability and authorization for attaining these goals on the individual (project manager) or on a small group (project team). (Bakouros & Kelessidis, 2000)

Kerzner (2013) states a project has any sequence of responsibilities and activities that has a precise objective that needs to be accomplished within certain specifications, have distinct commencement and conclusion dates, uses money, has funding limits, has people and also equipment and are multifunctional. Project management can be the application of methodical skills, knowledge, techniques and tools to project activities which accomplish the project requirements. The integration of project management and also organizational change management is considered a necessity. (Hornstein, 2014)

The project plan can be structured around the events and timelines to ensure an organization attains a deliverable of some sort, a new office, a new system, an outsourced call centre and so forth. Its purpose is getting from the present state (no installation) to the future state (installation completed). (Change First)

When intending to implement change, in project initiatives and organisational change there must be a strategy which is multifaceted and well-designed that not only keeps to budget and time constraints but also looks to achieve competitiveness as an organizational advantage. (Gomes, 2013)

A more profound effectiveness-oriented organizational strategy is required. These strategies require project managers to use technical knowledge when planning and controlling activities using communication, leadership and many other human resource skills in management. (Gomes, 2013)

The project management body of knowledge (PMBOK) has tools that may help in organizational change that is associated with wider operational changes which are consistent in managerialism philosophy. (Gomes, 2013)

The project management methodology and discipline could be incorporated in commitment building, a vision and attention given towards people and culture in change management. They are conscious, that project management success is to create ownership and a shared meaning, as is about following the process steps. (Hornstein, 2014)

Projects provide the means for change. Projects do not merely provide funding and resources so they can be delivered on time, according to the scope and within the budget; but promote and motivate essential changes, on an organization as well as an individual level, to generate value within an organization. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

4.2 Project Integration Management (PIM)

As explained in the PMBOK Guide (PMI, 2013a): “ The integration of project management comprises of many processes and as well as activities which will identify, define, unify, co-ordinate the various processes and the management of project activities listed in the Project Management Process Groups”. The embracement of integrating the change management and the project management processes as well as the various activities which are entrenched in all of the knowledge areas. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Many areas that fall under Project Integration Management may be improved by using a wider change management focus including:

Development of a project charter, these usually come from a developed business case that has been recommended for the project. It combines the organizations case for the change that goes far beyond the financial estimates as well as the benefits for the organizational changes.

An example is an element within the project's success lies in forming a new or modifying the present features of a business, like a new supply chain or upgrading of key features, thereafter these changes and its consequences need to be highlighted in its charter. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

The development of the project management plan is a document defining the manner in which a project will be carried out, controlled and monitored. By integrating and combining all subsidiary plans including change elements in management like:

- Project sponsorship plan;
- Communications management plan;
- Stakeholder management plan, which includes a requirement to manage user implementation needs;
- A risk management plan must include risks in organizational and user implementation; and
- Activities that are required to evaluate organizations willingness. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)



Figure 7: Integrated Change Management within the PMBOK Knowledge Areas (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

4.3 Change Management

Change management is based on implementation; the people aspect within change is focused on, in order to move from the state it is in to a future state. True implementation assist organizations in achieving benefits expected from a project and continue beyond its installation. It requires a number of people to being committed to the change involved and adapts to new behaviours and sustains them enthusiastically. For effective integration in the change management and project management principles it is required that an organization accomplishes implementation and not only installation that occurs through its projects. The integrated change management and project management plan takes into account events, timelines and human processes of the change itself. Change management is a process, technique and tool used to manage the people aspect of the change, to achieve a desired business result.

Change management combines organizational tools which are used for supporting individuals to make successful personal transitions resulting from the adoption and realization of the change. (Creasey, 2007); (Change First)

Change management is the representation of the fast growing discipline which is being deployed on a global scale by various types of organizations. This structured approach is utilized to facilitate the adoption of the change in groups and individuals in an organization. This manner in which organizations change draws on change in disciplines from behavioural science and psychology to engineering and also systems thinking. In principle a change does not occur in isolation, it impacts each individual and the entire organization associated by it. (Bourda, 2013)

Change management includes various attributes that gives attention to its human, its political and its organizational readiness variables that can have an effect on the successful outcome of its projects and programs. Opinions on change management, whether originating from various stakeholders at multiple points in a projects lifecycle, or by the analysis of the anticipated outcome, some design decisions made by the organization, are important for project planning and its execution processes. This improved insight is important in increasing the project planning, design and the deployment quality, as well as all the assistance required for an organizations readiness.

These focus areas tend to increase stakeholder acceptance and it creates organizational value. Employees will not resist changes made as much as they would tend to resist projects and its programs that are poorly designed or implemented. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

4.3.1 The PMBOK Knowledge Areas Guide and Change Management

Ten knowledge areas are integrated in Project Management Process Groups. The term change management is utilized to explain a group of principles together with its activities and not having a separate knowledge area of change management. The concept and activities of change management can be found in each area. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Change management and its activities are easily recognizable in specific knowledge areas like stakeholder management and project communications management, change management perceptions and activities essentially exist in each of these ten areas. The project managers' role is identifying the change management philosophies and activities which are integral in each knowledge area, explaining each as appropriately as possible. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

4.4 Types of Change Management Programs

Change management programs allow organizations to have control on installations of the latest processes implemented in order to better the realization of benefits of its business. Change management programs can include establishing new change initiatives, generating organizational buy-in, introducing initiatives that are effortless and that can generate a reproducible model to ensure future change efforts are successful, which will allow leaders to help make people succeed, indicating when and where issues are likely to happen and lays a strategy to mitigate risks and monitor progress. (Bain and Company, 2015)

- Systemetic organization-wide change initiatives can involve the organization wide transformation effort; and
- Particular internal change control programs or change management which includes providing processes and tools in order to control the daily specific operational or project changes. (Bourda, 2013)

These programs utilize similar tools but are different in priorities and goals. Both are crucial for an organizations success. Organizational changes occurs naturally in projects. By definition, projects change the state of things and probably would include procedures and processes. (Bourda, 2013)

4.5 Characteristics of an Integrated Project Management and Change Management Approach

The integrated project management approach can be described as being a singular, unified approach gaining organizational value and project success. Instead of dividing the project side initiative and the change side initiative of an integrated plan which integrates the project management as well as change management perceptions into a single, iterative set of activities. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

While creating a new information technology system, an important task is to get the business, functional and technical needs from all stakeholders. Customarily, the initiative would have an IT focus wherein business requests are proposed to the project team. The integrated project/change management approach will increase the structure of the requirements accumulating session, by providing additional defined data with regards to the project and by enquiring from stakeholders how the change is seen by the rest within the organization. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

By identifying the possible change champion amongst the organizational investors that would be directly affected by the change and who could assist and aid in its implementation. Questioning participants for assistance on the best ways to approach and engage their colleagues in order to build positive momentum for the change. Gaining insight on how the project may impact dictates the needs for other types of organizational changes, like changes to procedures, organizational structure and policies. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

By understanding the possible workarounds that could be utilized rather than the proposed or newly installed solution, change acceptance may be assisted by technical interventions and by utilizing psychotherapeutic practices in order to earn the “hearts and minds” from the end user, but by also blocking workarounds so less choices and diversions are accessible. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

The benefits of using the integrated approach include:

Rather than an initiative being separated by project management and change management, a single manner of attaining these business goals and organizational values is possible. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Due to change management activities being effortlessly embedded in the projects lifecycle, change management cannot be perceived as a distinct or an adjunct activity which can easily be defunded or may be de-emphasized. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

It gives the ability to leverage joint ventures to stakeholder engagement activities so they come to be streamlined, as an example, by giving the project champions change leadership coaching along with the project status updates, they deliver a project team having enhanced insights that are able to understand organizational effects and the stakeholder fears, so that the team may adjust its approaches and design decisions and to proactively reduce possible resistance. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

4.6 What kind of Change Management is required to bring about the Organizational Change required for CRM?

CRM is a priceless business model and if appropriately executed is a key driver of organizational profits, competitive advantage and customer devotion. This has been the experience of a number of CRM forerunners who have successfully implemented customer relationship management. (Chakravorti, 2006)

A common erroneous interpretation is that organizational change management is an isolated discipline from project management, this denotes that change efforts do not involve the useful arrangement or precision that project management methods provide. A change effort implemented with these absent is likely to bring confusion rather than constructive organizational change. (Bourda, 2013)

An operational CRM system is designed to help front line personnel provide better and more profitable services to customers, these front line people may not previously have used computers/technology. Their resistance to accept and make use of CRM tools is an issue that must be overcome. (Reiny, 2004)

This can be overcome by observing change management as a separate entity from project management. Change management is frequently mischaracterised as “concentrating on the people side,” whilst project managers are sent the possibly detrimental message that they should concentrate solely on technical matters. Project management realization is as reliant on people as it is on correct functional and technical skills. Project managers frequently abandon their change management duties without capitalizing on the project management/change management touch points and prospects that occur through the lifecycle of the project. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Frequently an isolated change plan exists that is not part of the integrated project management plan. Thus depending on a combined approach, having distinct project management and change management plans divides the path to success.

Attaining complete success is now reliant upon the successful implementation of two independent plans. Apart from the implementational inadequacies that result from this approach, the project champion has to acquire and manage two groups of resources now, a change team and a project team. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Front office processes are hugely varied across organizations and less standardized than back office processes. Automating these processes requires major organizational and technical changes. Organizational readiness to deal with these changes may be doubtful and an effective CRM implementation plan may benefit the organization by shaping its resources to achieve CRM objectives successfully. (Reiny, 2004)

CRM's vision and customer strategy assists in setting a well-defined project scope, which highlights the potential benefits of adopting CRM at every stage of the implementation plan.

Project management is predominantly an integrative task, integrating change management philosophies and activities during the lifecycle of the project. Numerous experts find it challenging to incorporate change management techniques and principles with that of project management methods. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Change ensues once individuals recognize what changes are required, strengthened and rewarded by the various internal systems that are designed to drive behaviour. Should these systems send inconsistent messages, the change effort collapses in misunderstanding, however should they all point in the same direction, the anticipated change becomes practically unavoidable " (Chakravorti, 2006)

CRM introduces new processes; the complete organization must understand and appreciate its worth. Due to resistance to change, user acceptance is hard to accomplish. Selling CRM to the users and convincing them to collaborate thus becomes of critical importance. (Chakravorti, 2006)

The organizational approach toward customer relationship management should be strategic since it is dictated by the vision and goal of the company. Vision and goals of companies will in most cases, vary depending on type of industry, competition and company resources; with the common thread being the goal of improving customer contentment, loyalty and company profitability. The following is what organizations need to keep in mind to strategically align CRM with, and implant it in the organizations vision and goals. (Chakravorti, 2006)

Understanding the need for change is the first step, thereafter implementers must comprehend what changes are necessary, what challenges there are to change, and how the change program will be beneficial to the organization. Thorough understandings on the need for change comes from attaining feedback from clients about the products, services, their expectations and competitor capabilities and then performs a valuation of the organizations progress towards the change. (Chakravorti, 2006)

Researchers and practitioners agree on the levers of change management for CRM implementation. Even though they use different terminologies, in essence all change management efforts can be arranged under three broad categories, Leadership, goals and customer focus; human resources procedures; and cross-functional mechanisms.

It is only through the combined effort of leadership, program management and change management working in harmony that create a required combination of decisions and actions that a prosperous CRM initiative can be generated. CRM demands that the entire organization be on the same wavelength. Only the CEO and senior management can achieve this and convince the whole organization to use customer profitability as a driver for decision-making and action. (Chakravorti, 2006)

This chapter enhanced the readers understanding of vital terms and CRM integration. The PMBOK proved to be an effective guide in project management and change management.

Chapter 5: Discussions on findings

Case Study-Change Implementations

In this chapter, the researcher looks at the process the organization undertook to implement the necessary changes.

Change management is different to project management when compared to their ultimate objectives. Project management is limited to the application of orthodox tools and processes by professionals to accomplish a projects objective. Change management places a lot of importance on the people aspect within change and aims at leadership at various levels in an organization involving senior leaders, executives, middle management, staff and supervisors. (Bourda, 2013)

Bearing in mind the above engineering company initially underwent a reactive change process, as they needed to implement change to deal with the misappropriation of funds by directors and senior management that destabilized the company. The executive chairperson of the company undertook the first steps towards organizational change.

Treating each change phase and challenge as a project, project management philosophies were utilized in initiating and planning the change. The relevant stakeholders were identified and organisational value created in the actions taken by management to implement these changes. After understanding the models of change in Chapter 3 the appropriate change model for the engineering company to implement was Lewin's change management model. According to the three steps, Kurt Lewin's change method, this crisis led to the unfreezing stage of the organization and the necessary steps followed. It was unfrozen by informing employees about the significance of the change being planned and the benefits it would have on the organization.

Once the engineering company was unfrozen, it was changed by moving forward. The execution stage meant strategic changes were made at the company which was detailed in the companies strategic plan, as the entire structure from the top had changed. Drastic change only commences when people alter their aspirations, values, skills and behaviours. When individuals stay in a particular situation for prolonged periods of time they develop established ways of behaving, emotions and thinking which may be disrupted by an onslaught of drastic change.

A new Managing Director had been appointed, the previous managing director was asked to leave by the board. The general manager resigned shortly after the appointment of the new managing director. Thereafter a new general manager was appointed from within the company promoting growth, after the new team of directors was in place, various smaller changes followed. A few people resigned and others were asked to leave.

New systems are introduced when change management processes, structures and procedures are altered, new roles are assigned and others are re-assigned and staff rationalization could be effected. (Boohene & Williams, 2012)

Restructuring of departments were made which led to openings for the new appointments of head of departments. Previous benefits that employees were receiving had been withdrawn due to restructuring. These movements has led to employees uncertainty and instability within the company.

These changes may have instant and substantial effects on employees in an organization and must be correctly managed if not can lead to work attitude challenges including job dissatisfaction. Employee resistance to change decreases as their trust in management increases. (Boohene & Williams, 2012); (Bonsu, 2014)

While the changes were taking place employees experienced feelings of uncertainty, levels of trust between employees and management reduced, stress levels increased and a decline in the level of commitment was observed. The engineering company had to use appropriate methods to involve employees during the change process.

Change needs to be internally led, managing employees' transition from resistance to commitment, employees require a lot of information, training, involvement, support and suitably compensated to feel appreciated, i.e. more in control of their purpose and thus committed enough to completely engage the change.

The newly appointed Managing Director held a meeting with the entire company explaining the need for the change in management structure and restructuring of departments. Emphasizing that change cannot be accomplished in an organization without the involvement and commitment from its leaders within. Ensuring that the change was monitored and controlled. (Thomas, 2014)

The data that the organization gives with regards to the change must address the motives to bringing about the change and the concerns employees will initially have. Information is transferred by the organization through management (as the sender) to the employees (as the receivers) of information. (Elving, 2005)

After management communicated the need for the organization to change, employees better understood the relevance of these changes. Employee engagement had a positive effect on performance. The managers aim for making the choices was on bringing alignment and focus within the company. Leaders needed to depend on discipline to "focus" on the correct opportunities within the organization to guide its employees in the correct direction. (Thomas, 2014); (Change Management-Coca Cola, 2015)

During refreezing, management of the engineering company ensured the positive effects of the change were maintained through newly introduced processes that became part of there new strategy, providing sufficient training and support, not allowing old habits to creep back into the culture again. Closing the project, making sure lessons are learnt and that complete project success is attained. (Change Management-Coca Cola, 2015)

Chapter 6: Discussions on findings

6.1 Challenges of Organizational Change

The researcher proposed to the organization for employees to answer commitment and resistance capacity questionnaires to ascertain the impact that organizational change has on employee's commitment and resistance towards the organization as a result of these changes. The organization declined, thus data could not be collected, observed and analysed and therefore the researcher utilized several sources of evidence based literature to gather the information concerning challenges of change.

A permission to conduct quantitative research letter was submitted to the company investigate the cause and consequences of organizational change, with the aid of various questionnaires including Keber and Buono's Organizational Change Capacity questionnaire, Organisational Change Management Self-Assessment questionnaire (H, K Sterling & H, L Selesnick), which can be found in Appendix A, which were to be voluntarily completed by staff who would remain anonymous throughout.

Various statistical test and analysis were scheduled to be conducted, verifying that the observed data fits the expected data, using various methods to provide mechanisms to make quantitative decisions about processes that is to accept/reject certain hypothesis/propositions made using methods like Chi square, sampling distribution and various other tests, however with this request being declined by the engineering company for specific reasons, a different approach with the aid of my supervisors was used, hence the title and format was restructured accordingly.

6.1.1 Challenges on Change Implementation

Many challenges may be found under various terms but are fundamentally the following:

Leadership-moving an operation of a company from a dictator like controlled way of management to a motivational and nurturing style of leadership. Making a difference, leadership and its significance for organizational change success is increasing. (Thomas, 2014)

Focus-on making business choices, bringing concentration and alignment back to the organization. With an absence of consistent focus, individual members need to understand their environment, so they are able to decide on which prospects to explore from his or her own view. A possible result is a collection of skilful hard working individuals pulling the organization in several unco-ordinated directions. (Thomas, 2014)

Commitment-Individuals making the change are actually being requested to make a commitment of personal energy. Company resources must be dedicated to aiding workers comprehend the imminent change, convincing them of its worth and control any resistance arising from this. Once leaders create understanding and generate commitment, the extreme resistance to change passes and is substituted by courage to take the new direction and to enthusiastically strive towards change. (Thomas, 2014)

Resistance- Any resistance to change can be seen as a natural human trait. All humans and subsequently all organizations exist in a current reality, understanding themselves and a level of comfort in their present situation. Introducing new knowledge and skills to a business can be difficult. People dread change. Management must administer the integration and smoothen the pathway ensuring all are aware of the company's intentions and how the new competencies will play an important part. Resistance management could improve if the organization familiarized itself with the possible benefits of resistance. (Thomas, 2014)

6.2 Impacts of Organizational Changes on Employees Commitment

While the changes were taking place at the engineering company employees experienced feelings of uncertainty, levels of trust between employees and management reduced, stress levels increased and a decline in the level of commitment was observed.

During drastic changes such as mergers, acquisitions and downsizing, employees might feel their affection (Commitment) towards the organization has changed, which often is reduced. (Đorđević, 2004)

The key reasons leading to decreased commitment during transitions is, decreased trust, increased stress, job insecurity and job redesign.

6.2.1 Decreased Trust

Trust has a significant association with effectiveness, performances, team work and quality of organizational communication. Trust is established on the ethical behaviour of management and the psychological contract. Drastic organizational changes related to layoffs, break psychological contracts and often lead to a sense of unethical management behaviour. The psychological contracts that an employee holds consists of beliefs about mutual responsibilities between the employee and his or her organization. Individuals express decreased trust in management when they consider management actions as unethical. (Đorđević, 2004)

In 1989 Rousseau explained the psychological contract as being an individual's beliefs about the terms and conditions of an exchange relationship with another party.

The working environment defines it as the perceived fairness or balance which comes from the employee's vision between the manner in which an employer treats his workers, and what they "put in" to the job. (Barnard & Stoll, 2010)

The importance of change management's psychological contracts consists of two things. Firstly, the information is unwritten, informal and implicit in the contract.

Consequently, workers and employers have different thoughts on the information of the contract and the extent to which each one has accomplished their duties. (Barnard & Stoll, 2010)

By generating a transparent work place with open communication it allows managers to understand both employer and employee expectations. As a result the manager is able to successfully address employee's expectations during change, when open communication of the contract is impossible; workers may anticipate a negative change that can happen in the psychological contract it is important to make certain the expectations of both employer and the employees are clear and well communicated.

Managers must be able to successfully address the expectations of employees especially in a time of change, when the transparency about the contract is particularly critical, when employees are concerned that a negative change in the psychological contract may occur, with regards to development opportunities or job security.

Secondly, the psychological contract is useful in that it forces managers to consider the balance of the contract, when considering organizational change. Ultimately organizational change success is based on employee's approval of the change. (Barnard & Stoll, 2010)

Many organizational managers concurred that a constant phenomenon is change. It must be addressed and managed appropriately if an organization makes change. Modifications in technology, information systems, social values, the political environment, the global economy, the market place and work force demographics all have an important effect on the outcomes, products and services produced. (Samuel, 2013)

Change could be scheduled and presented by managers. It is essential to recognize that employees might look at it as being employed in an ever changing environment.

It is possible to start a change programme despite this, however it does show that it's key to be vigilant of other changes taking place simultaneously and accept the risk that an individual set of changes can be inundated by the amalgamation of other changes taking place. (Barnard & Stoll, 2010)

An important fact evolving from the literature reviews shows is that the literature is regular in showing that change is not seen as a single, continuous process, but is scattered into a variety of steps. It is of importance that managers must emphasize what strategies, with regard to training, support, communication, etc. that are suitable for the various stages, instead of choosing an individual method that can be used in the process and simultaneously maintain flexibility and be reactive to changes as they occur. Extra emphasis may be needed and preparation time, however its reward will be that the change occurs without any effort and efficiently.

While preparing for these strategies, managers will need to reflect its psychological contract organizations have with their workers and the effects of the changes they are presenting may alter the balance.

Importantly if changes are made managers will need to reconsider how to rebalance if they aim is to avoid resistance that could destabilize the process. (Barnard & Stoll, 2010)

Prosperous organizational change is not simply a process of adjustment, it also needs adequate managing capabilities. Managers can no longer control their organizations, they need to lead them. There test is not one of managing to maximize utilization but of engaging the staff for maximum innovation. An alteration in which leaders learn to take accountability for articulating the direction, for creating an environment that permits the members of the organization to be creative and for enabling individuals to be driven by their own will to continuously innovate in search of the future. (Suresh, 2001)

When there was a high level of change and it was favourable for the work unit regardless of the level of impact on one's job, individual's commitment to the organization increased. (Donald B & Fedor); (Effects of Change and Change

Management on Employee Responses: An Overview of Results from Multiple Studies).

In our current economic environment with the evolving political needs and pressures organizational change in the private and public entities is progressively becoming a priority. Change being an intricate process means its outcomes can be both negative and positive. Organizations may acclimatize to new business environments in order for them to survive and often try to break any resistance and barriers to change. Therefore changes made involve reorganization that impacts employees in different ways. (Being faced with new job requirements, laying off, etc.)

Consequently as a result, employees begin to re-examine their relationships and commitment with the organizations. (Đorđević, 2004)

Organizational commitment has received ample consideration over last two decades. Most researchers indicate that organizational commitment from workers is imperative, as it might be utilized to predict performances, behaviours and employee's absenteeism and other behaviours.

Commitment is valued in organizations from employees as there is an assumption that employees who are committed partake in "extra-role" behaviours, like creativity and innovativeness.

Absenteeism, lack of creativity and low job performance is costly in organizations; therefore commitment in organizations is a quality that must be desired in employees. Drastic organizational change typically affects employee commitment negatively. (Đorđević, 2004)

Most organizations focus on change aimed to improve quality and performance but by executing these decisions the human element is left out. Companies need to find a link between workers, organization and change initiatives that will be anticipated. (Hornstein, 2014)

Commitment towards the change and the organization is not concentrated and isomorphic on either the change at an individual job level or the work unit level only, and could present an incomplete picture of the effect of organizational change on employee's commitment levels. (Fedor & M, 2004)

An interesting find is the condition into which most deterioration of commitment has been reported, when the change is seen as favourable for the unit i.e. high amounts of change within each job level and small values of work unit change, this may symbolize a "picked on" feeling, reflecting a distributive justice judgement on the part of individuals that they got a "raw deal" from the organizational change, the impact of an unequal amount of change fell on them. (Fedor & M, 2004)

For change commitment, people are supportive if they are faced with lots of change, but are not affected themselves. Whereas in organizational commitment people are accepting when the change level they are going through is consistent with that which is occurring in their work place. (Fedor & M, 2004)

6.2.2 Increased Stress

Major organizational changes consequently leads to reduced commitment and increased stress. Stress can largely be caused by doubt and inability to be flexible towards new work environments. Workers that view organizational changes as very traumatic episodes go through many phases to express many feelings, denial, anger, bargaining, depression and acceptance. (Đorđević, 2004)

- Denial that the change will really happen.
- Being angry about the why's in change: "why am I experiencing this?"
- Bargaining, when employees try to make different changes as a way to prevent the imminent change.
- Depression, when workers start to accept what's foreseeable.
- Acceptance is when workers are supporting the change sincerely and honestly.

Change initiators are not common with employee responses and may be shocked by their reactions. Initiators of change can experience habits that are inappropriate like: becoming very defensive in the anger stage or ridiculing workers through the bargaining stage.

It is desirable to inform the initiators of change about these patterns so they respond accordingly and appropriately. (Clampitt, 1991); (Clampitt & Berk) Evidence shows that stress caused by drastic organizational changes normally leads to decreased motivation, morale and commitment to an organization. (Đorđević, 2004)

6.2.3 Job Insecurity

Restructuring of departments in the engineering company were made which led to openings for the new appointments of head of departments. Previous benefits that employees were receiving had been withdrawn due to restructuring. These movements has led to employees uncertainty and instability within the company.

Job insecurity occurs in cases of involuntary job loss. Writers theorise job insecurity as the “perception of a possible risk to continuity”.

The fundamental characteristic of acquisitions, downsizing and mergers is the threat to continuity and involuntary job loss. (Đorđević, 2004)

6.2.4 Job Redesign

During drastic changes a significant concern for numerous employees is their incapability to take in and manage with increased loads of work. This new environment is perceived as more intimidating by employees, rather than filled with opportunities. Individuals who lack the ability to manage with their new tasks, are more probable to react negatively to major changes, as a result they are expected to express less commitment to these organizations. (Đorđević, 2004)

Employee commitment is a prized asset from an organizations perspective. There is a strong correlation with absenteeism, job performances, motivation, creativeness, etc. Commitment in organizations does not happen unidimensionally.

There is different type of commitments, continuance, emotional and normative commitments. Continuance commitment implies to workers who stay with the organization as the costs of leaving it are too high.

Workers that are emotionally attached to an organization will be motivated to give towards the organizations goals, because they view them as being theirs, whilst in normative commitment workers see themselves as having minute obligations not to leave the organization. (Đorđević, 2004)

6.3 Resistance to Change

This research has found that acceptance of the change by workers is seen as a goal for the success of organizational change. Kubler-Ross (1973) debated that humans experience five phases of 'grief' (denial, anger, bargaining, depression and acceptance) once they go through a change or a loss, and it is pertinent as well as applicable to those who manage change in organizations.

As Wiggins (2009) used this as a form of guidance and support for communication and support throughout a change process, as Wiggins (2009) wanted each stage of change to be customized to the stage that workers have attained. (Barnard & Stoll, 2010)

During the initial change appointment of the new managing director and resignation of the general manager company staff were showing signs of anxiety and resistance as they were not informed of the exact change in management structure details.

As soon as information of change is given, employees should be given relevant details to confront their denial, when these details have been accepted they are likely to experience anger, bargaining and depression therefore support is required by them. Once employees begin accepting their new job a vision is needed to keep them committed. Shaul Oreg has found the resistance experienced during a change relies both on the situation where in change happens as well as on an individual's personality. The initial study is where he developed and tested the "Resistance to Change Scale" (RTC). A root cause to destruction of an organization as well as to individual employees is resistance to change. (Barnard & Stoll, 2010); (Stuijs, 2012)

Oreg discovered that things that can change a context play a crucial role. It was found that trusting management can have a serious effect on cognitive, affective and behavioural resistance, therefore it was concluded and emphasis made on the importance of having good management skills during the change process.

An overwhelming amount of information given to individuals with regards to the change processes has resulted in a change that is poorly evaluated and has an increased need to resist it the study proved. Oreg proposed after this final result that employees feel overwhelmed after the optimal amount of information is passed.

Oreg hypothesized that if individuals had adverse effects of the change by getting more information about the change resulted to an increase in resistance to it. (Barnard & Stoll, 2010)

These are some resistance and barriers to organizational change: substantial costs due to change, limited time, technical complications, financial difficulties, losing something valuable, other business priorities, fear of insecurities, lack of resources and skills, commitment to present practices, hostile previous experiences, internal politics, strong organizational culture, government regulations and dominant trade unions. (Ioana, 2013)

An approach for decreasing employee's resistance is proclaimed many a time in literature of organizational change which is to involve employees in the process of change as well as assist those involved to implement the changes within themselves. (Barnard & Stoll, 2010)

The emergent view dealing with resistance was made in a proposal by Kotter and Schlesinger (1979), that mentioned circumstances and change contents are very different between organizations and this would determine the suitable response. They provide many ways from education to coercion, all explaining who and when to utilize it for reduction in resistance and outlines the advantages and shortcomings of each. (Figure 8) (Barnard & Stoll, 2010)

Method	How to Use	When to Use	Advantages	Drawbacks
Education	Communicate the desired changes and reasons for them	Employees lack information about the change's implications	Once persuaded people often help implement the change	Time consuming if lots of people are involved
Participation	Involve potential resisters in designing and implementing the change	Change initiators lack sufficient information to design the change	People feel more committed to making the change happen	Time consuming, and employees may design inappropriate change
Facilitation	Provide skills training and emotional support	People are resisting because they fear they can't make the needed adjustments	It's a relatively easy way to defuse major resistance	Can be time consuming and expensive; can still fail
Negotiation	Offer incentives for making the change	People will lose out in the change and have considerable power to resist	It's a relatively easy way to defuse major resistance	Can be expensive and open managers to the possibility of blackmail
Coercion	Threaten loss of jobs or promotion opportunities; fire or transfer those who can't or won't change	Speed is essential and change initiators possess considerable power	It works quickly and can overcome any kind of resistance	Can spark intense resentment towards change initiators

Figure 8: Methods for Addressing Resistance from Kotter and Schlesinger, (Barnard & Stoll, 2010)

The Spectrum of Employees Reactions to Organizational Change (SEROC) showed below,

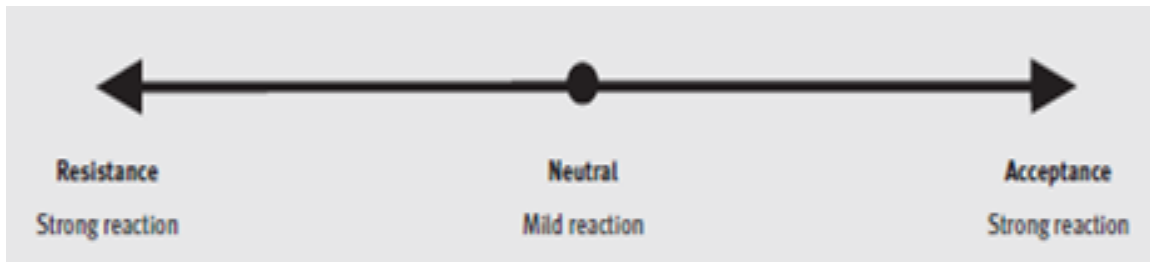


Figure 9: The Spectrum of Employees Reactions to Organizational Change (SEROC) (Wittig, 2012)

The spectrum of the scale is seen to be both cardinal and ordinal. A worker being twice as accepting for or (resistant to) change can be placed within a spectrum which lies double the distance from the neutral. (Wittig, 2012)

For getting a large amount of acceptance and resistance which is minimal as concrete milestones cannot be reached. The reactions of employees is described by the resistance and acceptance levels of employees, which are presented by polar opposites in the spectrum, and neutral reactions that are not strong which is found in the middle of the spectrum. (Wittig, 2012)

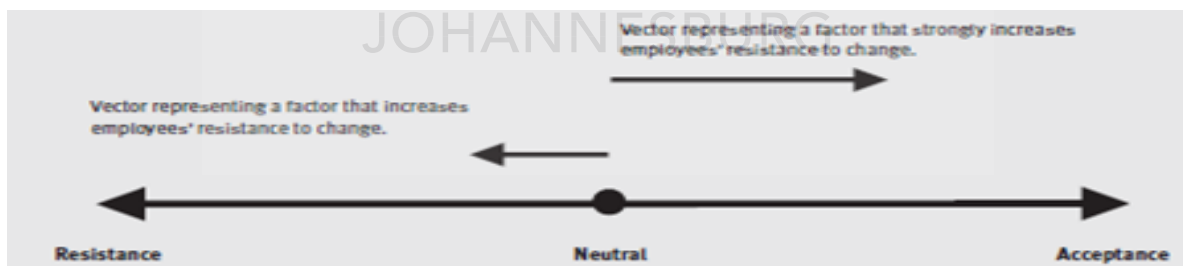


Figure 10: Vectors Represent Factors That Influence Employees Reactions to Change (Wittig, 2012)

Employee's resistance to change that is affected by events and various factors is represented as vectors in the spectrum of change in magnitude as well directions.

An outcome for factors are acceptance or resistance level to change by the employees (shown as a sum of vectors) are the level of an employee either accepting or resistance change. (Wittig, 2012)

6.4 Reasons for Failure in Change Management

Change fails when,

1. An organization is not clear as to why change needs to be made and its objectives are not clearly stated and this information gets into the hands of vested interests. (Bourda, 2013)
2. An organization voices its plans to change but takes too long to carry out the change, this leads to different messages being sent out, allowing resistance to seep in. (Bourda, 2013)
3. Leaders in the organization are not open to the transformation in management technique that comes about due to organizational change. Managers all too often use a “take one size fits all approach” approach to implementing change. (Bourda, 2013); (Harvard Business Review, 2008)
4. Organizations undergo change frequently it's a cause of failure as a mentality sets in that “currently we're experiencing change, then we'll go back to normal”. (Bourda, 2013)
5. The methods used to implement the change are not suitable to the organization or too many programs implemented at once i.e. six sigma, balance scorecard and other programs.
6. The internal organization is against the change and not ready for the change. (Bourda, 2013)
7. The business does not look at its overall objectives and runs certain functions, and changes as part of processes without considering its impact causing panic and the organization prematurely declares victory. (Bourda, 2013)
8. A leader sets a strategy for the change, but played no active role in the actual change, keeping the real change to less motivated, less enthusiastic persons. (Bourda, 2013)

6.5 Contributing Factors for Successful Management of Change Implementation

Project management principles were used in each of the contributing factors.

6.5.1 Understanding Effects of Change on Human Psychology

When individuals stay in a particular situation for prolonged periods of time they develop established ways of behaving, emotions and thinking which may be disrupted by an onslaught of drastic change. This is precisely what occurred at the engineering company as employees did not expect to change

Change is a natural part of life that effects psychological reactions in people. When change is applied in a business environment, these reactions can jeopardize the change initiatives success during implementation, due to emotional upheaval. Therefore the engineering company focused on the 'people aspect' during change implementation. In a business culture that promotes ownership, accountability, empowerment and responsibility, there is a need to understand and manage the psychological reactions caused by organizational changes in order to improve the probability of success. (Phiri, 2012)

Individuals experience an assortment of psychological reactions when confronted with change. Individuals exhibit cognitive, affective and behavioural responses to the change. These responses could lead to resistance against the change. This resistance due to several factors relating to the change implementation necessitates management in order to ensure project success. It was vital for the engineering company to understand human change psychology in order to provide support to employees during the change process. (Phiri, 2012)

The first interesting concept obtained from the literature on human change psychology derived from Albert Ellis's work. Ellis noted that humans have biological and cultural tendencies to create disturbing beliefs and sometimes needlessly upset themselves. Essentially this can be viewed as a weakness of humans.

Ellis, perhaps more importantly, also highlighted a redeeming strength in humans, their ability to change their cognitive, affective and behavioural process to counter the disturbances and disturbing beliefs. This observation was compounded by other psychological scholars that also noted the ability of humans to change their beliefs using various techniques. (Phiri, 2012)

The second interesting concept is the set of models that describe the psychodynamic experiences that individuals traverse through when confronted with change. These include the Kubler-Ross model, Satir model as well as the Rogers seven stage change process. (Phiri, 2012)

Thirdly, but not least the humanistic approach to change psychology highlights the importance of some abstract concepts such as values, love and responsibility, of specific interest is Maslow's Hierarchy of Needs, illustrated below. (Phiri, 2012)

Project managers in the engineering company we re-explained their roles during the change management. As it was found that many project managers do not completely have an understanding of their roles even though the integration of activities in change management in the project managements plan has been made. As a result of different definitions of change management and its understanding, many are of the understanding that mostly change management is psychological compared to project management and employees can be helped with dealing with emotional resistance experienced during change by using psychotherapeutic techniques.

Whilst some consider it to be an overrated end-user communications plan. It is based on the preparation of change in an organization utilizing numerous methods that do not affect the quality of a projects output, neither its substance in a change. Positive project management needs its people just like how an accomplished organizational change needs to comply with project management standards and rigidity. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

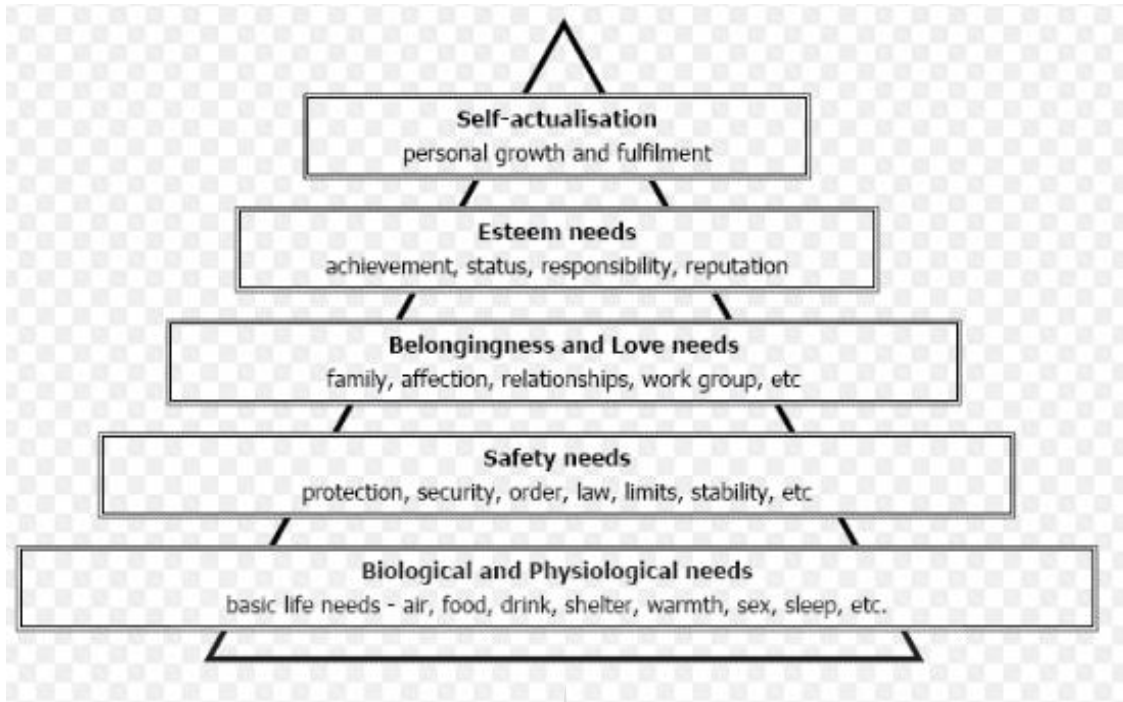


Figure 11: Maslow's Hierarchy of Needs (The GP Education and Training Resource)



Robbins, Odendaal, Roodt (2003:66) propose there's a demanding requirement for, specific research in South Africa to investigate job satisfaction, value and the attitudes of South African employees and managers. Companies that obligate to improve employee's quality life of work by communication, see commitment and involvement as crucial. Commitment and understanding may grow in soil which is made fertile by leadership. There harvest can become one of quality. (Naidu, 2008)

There is three different attitudes toward change as which Dunham, 1989 states, these are cognitive, affective and also behavioral. (Wageeh, 2014)

The cognitive part is the attitude consisting of the information that a person has with regard to a thing or person on the basis of what the person perceives as truth.

An affective part consist of feelings that a person will have towards an attitude object, including the evaluation and emotion, which can be an expression of a dislike if not a like towards an attitude object.

Part of behavioral tendencies is that it considers itself with manners that an individual wishes to act towards the object attitude.

The engineering company found that the three different attitudes is crucial and organizational changes may commence with a cognitive, the affective component and behavioral tendency mode. This cognitive part should be addressed first and can be useful. Owing to an individual having information also the understanding about probable changes being implemented, in this way there feelings might manifest to be favorable to the changes. The cognitive part on the attitude towards changes is an intimidating task if there is not appropriate communication. (Wageeh, 2014)

6.5.2 Manager's Roles in Change

The newly appointed Managing Director of the engineering company held a meeting with the entire company explaining the need for the change in management structure and restructuring of departments.

Changes involve people, therefore behaviours during the change in processes is important to understand, not only try to maximize the chances for success but also to minimize the anxiety that employees in the organization will experience. (Olofsson & Mavromatis, 2013)

A fundamental perception from emergent theories suggest that to get a response towards change, the managers should poses thorough knowledge of its organization its strategies, culture, structures and its people. This will allow managers to make choices of the best methods towards the change and to recognize things which be a facilitation or an obstacle within change (Burnes, 1996). To look at an organization as a whole, change is considered a part of the increase in prominence for organizational development (OD) as the structure when considering change. (Barnard & Stoll, 2010)

It is essential for management in the engineering company to have a thorough understanding of the benefits of change management and change psychology in order to provide support to the change management initiative. Change management along with project management was seen as the most pivotal success factors in a software implementation project. (Phiri, 2012)

A project will not create value and meet its business goals if project outputs and deliverables are not utilized and adopted by stakeholders. Project deliverables and outputs are reliant on project managers in preparing organizations for change. In the engineering company this was done by making sure the human, governance and organizational change management essentials were utilized in conjunction with project management standards which are incorporated and emphasized on in planning and the execution phases in projects and any programs.

The PMI's Pulse of the Profession®, High Cost of Low Performance (2014) statement illustrates that companies experience a wide gap involving their real state and their wanted state of success, resulting from a shortage of emphasis on processes, people and outcomes. (Project & Change Management in the PMBOK Jarocki, T, L, 2014)

Managers in the engineering company were under pressure to make the necessary changes in order to sustain the company. Managers in for-profit private organizations are under market pressures to re-organize strategies, operations and business models within their organizations. In a response to the pressures, these organizational structures of these organizations has been steadily re-engineered from mechanistic, rigid and closed system oriented to an organic, open and flexible oriented systems. (Gomes, 2006)

Cross-functional teams utilizing project management practices have been deployed effectively to smooth these re-engineering efforts that are aimed at organizational changes. The rapid pace of organizational re-engineering and organizational changes that are associated with it has made project management tools and practices a focus of practical interest to management of private organizations. These proliferations of change-based projects made "management by projects" a pragmatic expression, as opposed to a motto in our business environment today. (Gomes, 2013)

6.5.3 Communication & Change

Change within the engineering company was internally led, managing employees' transition from resistance to commitment, employees require a lot of information, training, involvement, support and suitably compensated to feel appreciated, i.e. more in control of their purpose and thus committed enough to completely engage the change.

Quality communication was vital throughout the implementation process in the engineering company and was used to raise awareness, understanding as well as commitment. The communication provided was adequate and given in a timely manner so as to provide quality information on the processes, progress and outcomes of the engineering company.

The provision of useful information through communication addresses the problem of the psychological human weakness that Ellis highlighted by employing the redeeming strength that humans have. Communication must be continuous throughout the implementation process. (Phiri, 2012)

The only constant in organizations as well as in the engineering company is the continual change within these organizations. This is a common line and famous in organizational and management literature. The aim of communication is to avoid resistance to change during organizational change, or to at least try to reduce it. The lower the resistance to change levels are in an organization, one could say its success of the change effort can be a higher one. (Elving, 2005) Many forms of employees communication results in greater satisfaction, more commitment and feelings of trust and also caring compared to that of the control group who did not get the information. (Ioana, 2013)

The best method in dealing with the change in the engineering company was to have a good internal marketing procedure, effective communication ensuring that employees will have a higher value for commitment. This will enable opportunities for the change to be identified and which will decrease the resistance, leading towards greater performance. Employees have to feel safe, and feel that they are part of a business and part of an organization itself, to identify themselves with values and ways of its actions. (Ioana, 2013)

Communication played an essential role within the engineering company, by ensuring employees know and understand their importance in the organization, and their value and agree with the benefits brought by the change and thus accepting it easier. (Ioana, 2013)

From the implementation of organizational change case study 6.5.1,6.5.2 and 6.5.3 the researcher can deduce that taking people into consideration during the change process, it is important for the success of change. Managers need to understand the change initiative and its benefits and must focus on people for successful outcomes. Communication through out the change process is vital as it aids the acceptance of change more readily.



Chapter 7: Discussions on Findings

7.1 Challenges of CRM Implementation

The researcher was limited to literature reviews as the engineering company declined surveys and interviews from taking place preventing data from being generated and analysed. The organization continued treating the CRM implementation and challenges as projects, thus creating the link between project management, change and CRM implementation.

7.1.1 Case Study-CRM Implementation

It is vital to recognize the primary reasons for the success and failures of CRM implementations and for its lasting adoption. (Chakravorti, 2006)

Many companies see CRM as a technological solution extending to isolated databases and a tool for sales force automation which links marketing and sales functions improving targeted efforts. Several organizations look at CRM as a tool intended for one-to-one as per Peppers and Rogers, 1999. Client communication is the exclusive duty of sales, services and marketing departments as well as the call centres. In 2003, Chen & Popovich considered CRM as not only a technological application for marketing, service and sales, but somewhat, once successfully and completely executed, cross-functional, client-focused, technology-incorporated business process management approach, maximizes relationships that encompass the complete organization. (Chen & Popovich, 2003)

The execution of a new CRM system was seen as a major change event within the engineering company. The sales personnel and managers received training initially, ensuring a smooth transition.

A known fact is that it's more expensive to get new customers than to retain existing ones. To be more effective and efficient the engineering companies aim is to foster long term, rich, deep and profitable relationships with their customers. In order to achieve this, the engineering company required having knowledge of customers, potential and current profitability, their preferences of services and products, and the channels and contact preferences.

It also requires uniform and customized customer interactions at all customer touch points, and the ability to forecast customer requirements in order to up sell and cross sell products and services to specific customers. (Chakravorti, 2006)

The engineering company provided the relevant training to employees that were to be exposed to the new CRM software in stages, ensuring all understood it and constantly updated users on new features and modifications to existing processes.

In the initiating, planning and executing phases, employees opinions were considered throughout the implementation and the systems were customized allowing short cuts to be created to ensure it was user friendly and personalized. Making it a success by involving all stakeholders, showing the importance of management participation.

As part of the controlling and monitoring phase management was able to track trends that made forecasting simpler. Several key users were trained that had access to back office data. All personnel had to maintain accounts and client details constantly with their permission allowing a useful database to be created based on complete privacy.

Customer information assisted the engineering company create propositions that produced value to their clients. Unreliability and unavailability of customer data contribute to CRM implementation failure. Client details may be incomplete, inaccurate, invalid and inconsistent. Data collection is easier when clients trust the organizations they deal with. Keeping customers informed about why the organization requires personal data and how they will benefit will facilitate data compilation. Permission based data is likely to enhance data quality as it signals the organizations concern for customer privacy. An overloaded database of clients can cause a company to lose focus in executing its customer strategy. (Reiny, 2004)

Internal CRM solutions have been implemented in all branches globally via the engineering companies IT department, externally personnel are able to connect remotely via means of CITRIX receiver, which enables them to connect to the server. No external consultants were utilized except for partnering with SAP to develop the appropriate hosted CRM solution.

Organizations with up to date facilities and superior resources are capable of satisfying the client requirements with standardized products, which is advantageous via productivity gains and the lower costs. Mass production and marketing are effective if clients are pleased with standardized products. With the number of organizations entering the market increasing, mass marketing techniques in which the objective is to sell products that manufacturing produced, began to lose its effectiveness. Target marketing, or segmentation, moved an organizations attention to modifying products and marketing efforts to meet the client's needs. (Chen & Popovich, 2003)

What is more crucially needed is an understanding of how the whole organization comes together to implement CRM, how CRM changes the roles and processes of an organization and how these processes can be made to run smoothly. (Chakravorti, 2006)

Project management principles were used in each of the contributing factors.

7.2 Contributing Factors for CRM Implementation

7.2.1 Employee Commitment to CRM Implementation

Employee commitment was seen as a project within the change management process.

Employees in the engineering company were made to understand the changes and purpose of what CRM will convey. Re-engineering a customer-centric business model necessitates an adjustment in culture and a contribution from every individual within an organization. In the new business model many employees may leave whilst others would have positions removed. Effective CRM execution means that fewer jobs are considerably altered. (Chen & Popovich, 2003)

Managers in the engineering company looked at the implementation of CRM as a project showing their commitment to the company by equipping staff with the relevant training and education on the CRM programme was implemented.

By empowering its employees with this knowledge motivated them and they were more committed to stay within the organization despite all the restructuring taking place.

Apart from increasing staff knowledge and skills, employees in the engineering company were educated which inspired commitment and motivation and decreased their resistance. Management in the engineering company had to ensure that compensation programs, incentive systems and job assessments were reviewed on a basis that facilitates and rewards customer orientation. Exactly how workers are measured will determine their behaviour after all. (Chen & Popovich, 2003)

Employees of the engineering company were afraid that CRM was purely a cost reduction exercise that puts their jobs at risk. Convincing employees that CRM can help solve their existing day-to-day problems or achieve their goals will assist there buy in. (Reiny, 2004)

An effective CRM performance is associated to an organizations capacity to recognize and reply to possible obstacles in an organizations culture. Individuals fears of working with new processes and use CRM software causes implementation failure. Individual's behaviour and attitudes were considered and changed in the engineering company, in order to generate a culture that is accepting to the execution of a CRM strategy. Implementing a customer centric culture is a vital prerequisite for a successful CRM initiative.

Organizations presume that by implementing CRM automatically they will become customer centric, with no real effort to alter the current organizational culture to be more customers focused. (Reiny, 2004)

Cross-functional teams can help in developing customer centricity Front-line employees may require support from other departments to resolve customer problems, cooperation and shared customer information are necessary. (Reiny, 2004)

Decentralised decision-making where front-line employees are authorized to resolve client problems by trying their own ideas is another critical organizational culture problem. An organization in which the environment encourages an atmosphere of risk generates self-confidence in employees to perform in the best interests of customers.

An environment of this nature requires employees to become more inventive in their efforts to overcome any difficulties experienced by the execution of CRM and hence produce an improved CRM outcome. (Reiny, 2004)

When organizations consider that CRM is only concerned with important customer facing processes and ignores the importance of redesigning internal structures to facilitate customer orientation, such as job descriptions, rewards, training programs and performance measures, they are unlikely to gain the complete benefit from there customer strategy. (Reiny, 2004)

Re-engineering processes that cross-interdepartmental boundaries requires involvement from all affected employees. Employees are comfortable with their current processes and may resist change. Thus it is necessary to include employees in the engineering company from the initial development phases of process redesign to ensure implementation and ownership of new processes. (Reiny, 2004)

7.3 Understanding the People Aspect in CRM

People play a vital role in CRM implementation. As part of a project within the change process employees in the engineering company were involved in every stage of CRM initiatives such as CRM solution selection, CRM strategy development, software implementation, database creation and maintenance, CRM processes and work practices redesign and customer interaction. (Reiny, 2004)

Very little, space and thought have been devoted to the people management issues of CRM implementation. Moreover, Zablah, 2004 mentioned no concerted efforts have been made in academia to incorporate the thoughts and findings of consultants and software vendors in order to enrich the academia understanding of CRM. (Chakravorti, 2006)

The processes and technologies that are instrumental in implementing CRM strategies and objectives are only as effective as the people performing them. Teamwork is vital in order to attain successful customer relationship management as was adopted in the engineering company. (Chakravorti, 2006)

Organizations as well as the engineering company are advised to restructure performance-based rewards to incorporate incentives for any improvements is important CRM Key Performance Indices, such as customer retention or customer satisfaction indices, and to reward superior customer focused behaviours like single point of contact resolution of customer complains. Employees in the engineering company needed to be equipped with the appropriate skills to be able to execute the newly redesigned processes, the necessary technological skill to utilize the CRM software and the analytical skill to make use of the customer data. (Reiny, 2004)

7.4 Manager's Roles in CRM Implementation

CRM initiatives need senior management's participation and dedication during the project to make certain that all employees agree to and support the CRM initiative. Some top management make the mistake of failing to realize that CRM is more than just a technology project. A sign of this misunderstanding would be the appointment of a technology manager to champion and manage the CRM implementation (Rigby, 2002; Wilson, 2002). This indicates a lack of ownership and support from top management in implementing a customer strategy, which can contribute to employee resistance to the initiative. (Reiny, 2004)

Top management in the company provides continuous commitment to the CRM implementation by interacting with its customers and in order to gain an understanding of their needs. This helps to ensure that the positives and negatives of a customer's experience are understood at the highest levels Senior

management of the engineering company communicated the CRM project milestones to all its employees to keep them informed of what has been accomplished and what still needs to be done to ensure the implementation success. Consistent briefing helps keep the project on track and to address and solve implementation issues openly and effectively. (Reiny, 2004)

A lack of support from short term focused managers i.e. those who are compensated for achieving quarterly sales targets and may undermine CRM programs having a long-term payback period. (Reiny, 2004)

Interpersonal skills is a project manager's most prized strength, which is required to encourage a project team as per the PMBOK® Guide. (PMI, 2004) If a project team is inspired to achieve a project's objectives it will be the difference between smooth project advancement and one filled with difficulties. The thought of an inspired project team might be a practical matter but can be problematic for project managers to recognize because classifications of motivation differ amongst researchers.

Huszczko's (2004) outlook on motivation centred on opportunities and support, whilst other researchers described motivation as the level of energy individuals come to work with.

The diverse explanations of motivation has managers, psychologists, co-workers and many struggling to comprehend what inspires people (Schwalbe, 2004). A project manager's competence in working with a team to accomplish its objectives is vital to the success of an organization. Effective project managements not only about using predefined project management constructs and techniques but also about understanding how motivation works from the project manager's point of view is still not clear.

Due to the strategic nature of change management, it became the CEO's and senior management's responsibility of the engineering company to manage change. This is one area where companies are struggling, they are struggling because senior management not having complete organization wide understanding about CRM fails to pin point all the areas of change management.

Mainstream CRM academic literature too has not elaborated on aspects of change management. (Chakravorti, 2006)

Change management should start with a strong leadership who has to create a customer vision.

This vision supported by training, cross-functional teamwork leading to effective segmentation and resource allocation, performance measurements aligned with CRM goals and compensation tied to achievement of those goals.

It has to be a top down approach flowing down from senior management. This is because it is the CEO and senior management only who have the credibility and control to direct the entire organization. (Chakravorti, 2006)

The CEO and senior management of the engineering company were held responsible for the success of CRM, as they are the ones to lead the organization in change. To do so successfully they had to develop process-thinking skills, which are necessary to understand the nature of CRM and its implications. They should have a helping hand in academics, vendors and consultants, who have to think holistically about CRM in terms of people, processes and technology, as there is no simple technology solution. (Chakravorti, 2006)

Senior management assurance is obligatory in getting an innovation operational and making sure assured results are delivered. Senior management commitment is not only about a CEO giving approval for a CRM project. In order to become customer-centric, management needs senior management backing and commitment to the CRM initiative all through the duration of the CRM execution and if deprived of it, the drive rapidly dies out. Senior management must lay the pathway in the CRM initiative for strategic direction, leadership and to align with the companies vision and business objectives (Herington and Peterson, 2000).

In 1998 a META Group Report reinforced this outlook showing that senior management backing and participation was the vital element in successful CRM implementations. Disagreement and objections among different functional departments always arise in the process of business in most major change efforts. (Chen & Popovich, 2003)

CRM execution and re-engineering was a success due to intervention from senior management, consequently making changes to the corporate culture.



7.5 Communication & CRM

Including all workers who are affected by the CRM project in the process of defining the CRM vision, its strategy and project scope is essential to ensure their support. (Reiny, 2004) The vision, strategy and project scope were continuously communicated to all employees in the engineering company to create a sense of ownership and commitment for the success of the implementation. It is important that employees understand why CRM is needed and therefore it is common practice for a CRM steering committee which consists of all key department representatives who will be impacted by the CRM implementation, to be established and a project leader appointed to ensure that the reasons for CRM implementation are communicated to all employees. (Reiny, 2004)

An effective CRM plan within the engineering company involved setting and communicating the CRM vision, strategy and project scope. Vision sets out the expectations an organization has of its CRM initiative. This helps the project stay on the right pathway. The CRM vision needs to align with the organizations overall vision. If an organizations vision does not incorporate a customer focused philosophy, it may be necessary for top management to review the philosophy statement and revise it accordingly. Companies need to set realistic CRM objectives and set priorities. (Reiny, 2004)

Defining the customer strategy is essential in realizing this vision. Considering CRM as just a technology tool instead of a business strategy is a critical mistake made by top management. CRM as a technology solution drives the organizations processes and as a result, customer strategy is dictated by the functionality within the CRM software. To avoid this error it is crucial to clearly explain customer strategies prior to implementation. This type of error was avoided by the engineering company by senior management as they provided strategies that will be put in place prior to CRM implementation.

Customer segmentation that identifies and targets customers that are more valuable is identified as the most valuable element of customer strategy development.

Creating a detailed customer strategy such as customer retention, acquisition and development targets requires an understanding of both the customer and the organizations perspective. Adhering to and understanding both perspectives benefited the engineering company. (Reiny, 2004)

It may be important to implement an internal marketing strategy to encourage the acceptance of CRM and its associated new work practices.

CRM requires sharing of information across departments. After CRM implementation at the engineering company all departments worked together to share client based information, marketing data, inventory data and accounts data in the company. This this interaction allowed the various departments to market, sell and provide clients with services more efficiently.

Sharing client information, marketing data, inventory data and accounts data in the organization, enabling the relevant departments to sell, market and service clients more efficiently. Lacking this, head of departments may disagree over the issue of information or system ownership and reject the idea of working together, consequently risking the drive to become more customer focussed. (Reiny, 2004); (Chen & Popovich, 2003)

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7.6 Reasons for Failure in CRM Implementation

Many companies implementing CRM outsource a significant share of their CRM solution to consultants due to their lack of understanding how to implement CRM systems. Choosing the incorrect technology partner also leads to failure of CRM implementation. (Reiny, 2004)

Seven Reasons Why CRM Projects Fail (Hagemeyer & Nelson, 2003)

Reason for Failure	Failure Point	What Software Can't Solve	Remedy
1. Quality of Information is not considered.	<p>Execution:</p> <ul style="list-style-type: none"> • Call centre and sales users do not entertain the application if the information is doubtful. 	Information hygiene software looks at some problems and does not consider missing or erroneous information and does not compensate flawed information captured processes.	A project plan must permit for information cleansing and testing before executing. (Hagemeyer & Nelson, 2003)
2. Organizational politics are driving departmental or totally disconnected initiatives.	<p>Strategy:</p> <ul style="list-style-type: none"> • Execution will most probably implode before users ever see the solution. • If it does stay alive until the execution phase, the politics would have weakened the client focus to a point where sales and customer service users reject the solution. 	A software solution for political infighting has not been invented.	The CRM approach must comprise of the customers input across the complete organisation. (Hagemeyer & Nelson, 2003)
3. Business and IT and functions cannot work together.	Strategy, Execution	No software is available to facilitate teamwork, workflow and virtual teams, but only among organizations that want to work together.	Organizations must jointly be responsible for the strategy and accountable to the project champion for every step of the execution. (Hagemeyer & Nelson, 2003)

4. Absence of a plan.	Strategy, Execution	Project management software aids in planning and managing CRM implementations bearing in mind human contribution is necessary.	Delay an initiative until a detailed long-term vision, a business case comprising of baseline metrics and a project plan is implemented. (Hagemeyer & Nelson, 2003)
5. CRM is executed for the enterprise, not the customer. 6. An inconsistent process is automated.	<p>Strategy:</p> <ul style="list-style-type: none"> • Operators in customer service and sales return to manual or previously implemented systems except if they observe an incremental benefit. <p>Execution:</p> <ul style="list-style-type: none"> • The main idea of CRM is to enhance customer-facing procedures. Sales and service operators do not want to learn and entertain new solutions that enable the same bad process. 	Software alone is not able to provide increased customer attention or correct a defective process. It might automate an alternative process, but thought is required to improve a process.	Involve all stakeholders from across the organization in assessing which practices must be enhanced to eliminate possible cohesion that may exist between the organization and the client. (Hagemeyer & Nelson, 2003)
7. No consideration is paid to skill sets.	<p>Execution:</p> <ul style="list-style-type: none"> • Refuting a CRM solution by sales or service personnel if they do not poses the skills required to operate or understand it. 	Software can aid with distance learning and interactive training but is unable to change management or an organizations dynamics.	Make sure employees comprehend why a CRM system is being implemented, ensure that CRM tools are aligned with their skill sets and that suitable training is provided. (Hagemeyer & Nelson, 2003)

Source: Gartner Research

Table 1: Seven Reasons Why CRM Projects Fail (Hagemeyer & Nelson, 2003)

From the case study implementation, the researcher focused on the people aspect and management role, which has proven to support the implementation of CRM within the organization. Commitment from senior managers and employee commitment together with communication within the organization during change allows CRM implementation goals to be met.



Chapter 8: Conclusion

The definitions of change and CRM have been clearly defined. Change and CRM in the engineering company was a process of coping by moving from its current state to its desired state, in response to dynamic external and internal factors. Change is a dilemma experienced by all businesses and does not consider industry, size and age. The engineering company was obliged to change. Organizations which are capable of handling change will thrive, whilst those that cannot, struggle to survive. Nelson and Quick define change as a modification or transformation of an organization with its stakeholders, suggesting that transformation is a subset of change and that change is a worldwide occurrence. (Bourda, 2013)

As seen in the case study change is frequently related to crisis and the main reason explaining the difficulties is in managing it. Organizational change in the engineering company was not merely a process wherein the old was replaced by the new; it was also the adjustment of ideas, in which the organization optimized its performance by becoming an ideal model.

Customer Relationship Management was seen by the engineering company as an amalgamation of processes, people and a technology striving to appreciate the company's customers. The engineering company invested in customer relationship management technology in order to support the adaptation of many customer centric strategies, the aim was to improve the company's marketing, selling and services processes. Customer Relationship Management is frequently used in "information technology vendor and practitioner communities". (Ballard, 2008); (Chakravorti, 2006); (Chen & Popovich, 2003)

In order for the company to proceed with change implementation commonly used change models were investigated, that is Kurt Lewin's Change Management Model, Kotter's Eight Step Change Model and McKinsey's 7-S Model to Change. After understanding the various models of change, the appropriate change model for the engineering company to follow through was Lewin's change management model. (Weick & Quinn, 1999); (Visagie & Steyn, 2011); (McGarvey, 2014)

Change management methodologies were critical in overseeing the strategic change at the engineering company, being a prearranged set of steps used during the setting up and implementation of the organizational change. Unlike project management and business process re-engineering, the change management provided a reliable structure for decision making and guided the activities of the change leaders. Managing the reactive change necessitated a management team with communication, project management and analytical skill with a high degree of result orientation. (Bourda, 2013)

Had the engineering company allowed the researcher permission to gather quantitative data various methods including the ADKAR model and or force field analysis methods would have been used to perform various statistical analyses.

The researcher found that the following factors contributed towards successful management of change within organizations and towards effective CRM implementation:

Change implementation:

- Human psychology
- Managers role
- Communication and change

CRM implementation

- Employee commitment
- Understanding the human aspect
- Managers role in CRM implementation
- Communication and CRM

By looking at each of the contributing factors as an individual project within the change management process the following was found,

For the change to be effective management of the engineering company had to partake in preparing employees on change during implementation to equip them with the appropriate knowledge, skills and the expertise required during the change process. Management acknowledged that the change itself did not need as much managing as the people involved in it did.

Awareness was raised with regards to the various ways people prefer to deal with change and to realize that the perceptions of the change methods of others are often shaded by the leaders' perceptions. It was critical for the engineering company to provide the relevant training of the systems being implemented to its employees and to keep them motivated throughout the process and afterwards to ensure success is attained.

Manager participation in change and CRM implementation at the engineering company decreased resistance to the change, as its leaders took accountability for articulating the direction they wanted the company to progress towards. They empowered members of the company to become creative and innovative, motivating them. Effective change managers got the engineering company prepared for change in the early stages of the projects definition and stakeholders reviewed it by responding to their evident resistance. Managers within the engineering company ensured that employees understood the reasons, pressures and benefits for bringing the changes in different change levers, in the right perspective. Employees did not require managers to control them but rather to lead them; their task was to engage with staff to attain maximum innovation. It was clearly seen that by managers making possible the adoption of project deliverables and outputs it prepared the engineering company for change by implementing the appropriate change initiatives thus ensuring less resistance to change. The engineering company's success in change implementation was due to its co-operative employees. (Change Management-Coca Cola, 2015)

Effective and integrated communication channels and transparency within the engineering company ensured both employer and employee expectations were clear during the change, especially in dynamic markets that are constantly changing, ensuring the company is responsive at any time.

Communication by top management was significant in overcoming the uncertainties and concerns stirred by the change within the engineering company. Ambiguity in the working environment evidently lowered productivity, thus it was important to communicate what is to change and why. The three key stages of change noted were present, intermediate and future.

This study found that various forms of employee communication resulted in higher commitment and gratification. Continuous communication and dialogue during the organizational change and technology implementation completely eliminated or reduced resistance to change to a minimal.

Organizational commitment was vital as employees of the engineering company who were committed to the organization wanted to get the same commitment from the organization. When employees were conscious of their personal and others preferences when going through the change, understanding and accepting the differences increased across the engineering company. This acceptance and understanding of differences is what separated the dynamic organization that embraced change from organizations that simply respond to change so that they stay competitive. The engineering company devoted their resources to help employees understand the imminent change, convincing them of its significance and thus managed the resistance that inevitably sufficed.

Employee engagement generated a more committed workforce at the engineering company, aligning itself with its objectives by adopting a proactive approach towards its goals. (Change Management-Coca Cola, 2015)

Senior managers within the engineering company built an understanding of why the change was necessary, which in turn generated commitment. The intense resistance to the change was abandoned and replaced by the courage to pursue change.

Individuals' commitment to the engineering company improved when the change was favourable. The ongoing education, training, compensation programs and job evaluation, enhanced employees knowledge and skills, inspiring and motivating them. Hence commitment grew and resistance decreased within the engineering company. Senior managers managed the change effectively; therefore there was a high organizational commitment from its employees.

Sufficient information was passed on to employees, but not too much, which could have been overwhelming and have adverse effects. As trust in management of the engineering company increased, successful change was implemented.

This study found that having trust and conviction in management can have serious effects on effective, cognitive and behavioural resistance.

This was a result that emphasized the significance of good and continuous management for the entire duration of change. Managers consulted with employees throughout, learning, understanding and seeing things from their perspective was important in creating trusting relations and career success. (Wageeh, 2014)

For successful change implementation, the human aspect must be considered to avoid resistance. Change implementations often result in organizational tension as it involves movement from the known to the unknown and is consequently stressful, risky and complex. Individuals experienced an assortment of psychological reactions when confronted with the change. These reactions lead to resistance to change. The engineering company addressed these issues to avoid resistance.

Successful collaborative CRM strategy implementation was the goal of the engineering company in order to build lasting relationships with its clients. To make this possible, CRM systems played a role in improving these activities. Regardless of the dubious implementations to date, predictive CRM, interactive CRM and interaction technologies in this area can be some of the major contributors in this regard, which gave the engineering company a competitive edge in the marketplace.

It must be ensured that CRM systems selected are appropriate for the organization and used tenaciously to gain the maximum benefits from them, to precisely attain the CRM goals. Project management principles were used in each of the contributing factors which were found to be effective in the research and lead to successful change management and CRM implementation. (Viljoen, Bennett, Berndt A, & van Zyl, 2005)

The study found factors that lead to failure in change and CRM are:

Change fails in an organization when;

The need for change and its objectives are not clearly stated or it takes too long to implement the change. Allowing resistance to settle in. When managers are not open to transformation of management techniques, it often happens in companies that go through change often, too many change programs implemented simultaneously can also lead to failure, whilst inactive leader is also a major cause.

CRM fails predominantly when;

There are no specific plans put in place. The quality of information is poor. Organizational politics are present and various functions are unable to work together.

Despite literature that showed CRM failure was high due to organizational change within an organization (as a factor for failure), this study has proved that focusing on the people aspect, the importance of communication and management participation within the definition of CRM and with the correct implementation of CRM during organizational change, success can be attained. With strategic planning and execution taken into account, the success factors discussed in the previous chapters, the two can co-exist in harmony and be successfully implemented.

8.1 Recommendations

From the case study and change implementation methodology, the study confirmed that for future organizational changes to be effective organizations can implement strategies that were used in this study. We have a better understanding of the steps of the different models of change, ensuring that future organizational change has a lasting impact.

There is a need for additional research to be carried out in other industries that are undergoing organizational changes, as this study focused on the engineering sector. Only for the successful implementation of CRM, the elements that proved successful in this study can be further studied in other industries to ascertain if these factors can be used widely across the board within companies.

Moreover with additional studies, researchers may find more factors that add to effect change management and CRM implementations.

Future studies should include surveys, questionnaires and interviews on how change and CRM implementations have affected employees in the workplace making it possible to quantify the results and draw conclusions.

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Appendix

Organizational Change Capacity Questionnaire

Part 1: Questions

Circle one number on each of the following 0 to 10 scales with reference to your organization.

1. We place a strong emphasis on learning and information sharing.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

2. We hold meetings in all functions that focus on identifying and critically assessing new business opportunities.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

3. We use a common, organization-wide framework for thinking and communicating about change.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

4. We communicate an enduring, shared purpose that is well understood by everyone in the organization.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

5. We designate and hold accountable an owner(s) of the goal to develop our organization's change capacity.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

6. We select, hire, evaluate, and reward our employees based, in part, on their ability to thrive on change.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

7. We encourage everyone in the organization to ask questions and speak the truth, especially when people perceive problems or obstacles.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

8. We conduct low cost experiments with new ideas.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

9. The people in our organization understand there are different approaches to change and when each is appropriate.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

10. We encourage people to think dynamically and systematically so that strategies can change quickly.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

11. We devote resources to scanning the external environment in search of new ideas for our business.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

12. We create teams with maximum diversity to encourage innovation and creativity.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

13. We encourage everyone to empathize with and value alternative viewpoints.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

14. We recognize and reward people who support, encourage, lead, and share learning about organizational change.
 0 Never Sometimes Almost Always
 1 2 3 4 5 6 7 8 9 10

15. We focus on developing deep expertise about how to implement organizational change.
 0 Never Sometimes Almost Always 10
16. We thoroughly examine future markets, competitors, and business opportunities.
 0 Never Sometimes Almost Always 10
17. We encourage our employees to have lots of external contact, especially with customers.
 0 Never Sometimes Almost Always 10
18. We develop, reward, and promote supervisors and managers who enable change.
 0 Never Sometimes Almost Always 10
18. We support people who take risks and apply innovative ideas.
 0 Never Sometimes Almost Always 10
20. We maintain a fluid organizational structure that allows the quick formation of new groups as needed.
 0 Never Sometimes Almost Always 10
21. We provide change coaching and consulting services to our people and departments.
 0 Never Sometimes Almost Always 10
22. We factor future scenarios into today's decisions.
 0 Never Sometimes Almost Always 10

Karber/Buono Organizational Change Capacity Questionnaire

3

23. We appoint a committed change sponsor for each organizational change.
 0 Never Sometimes Almost Always 10
24. We work hard to enhance the personal credibility of organizational leaders.
 0 Never Sometimes Almost Always 10
25. We tolerate mistakes in the interest of learning.
 0 Never Sometimes Almost Always 10
26. We create systems and processes for sharing knowledge, information, and learning across boundaries.
 0 Never Sometimes Almost Always 10
27. We encourage the formation of change agent networks to share best practices, tools, and research about organizational change.
 0 Never Sometimes Almost Always 10
28. We focus on stringing together an ongoing series of momentary competitive advantages.
 0 Never Sometimes Almost Always 10
29. We provide key change projects with enough resources to get highly visible, public successes.
 0 Never Sometimes Almost Always 10
30. We listen to, encourage, and reward mavericks and trailblazers.
 0 Never Sometimes Almost Always 10

Karber/Buono Organizational Change Capacity Questionnaire

4

31. We value conflict and use it to achieve understanding and creativity.
 0 Never Sometimes 5 6 7 8 9 10 Almost Always
32. We provide responsive and proactive training and education in support of specific organizational changes.
 0 Never Sometimes 5 6 7 8 9 10 Almost Always
33. We debrief people after important organizational changes with a focus on learning from experience.
 0 Never Sometimes 5 6 7 8 9 10 Almost Always
34. We create and communicate a change friendly identity both internally to our employees and externally to our customers and partners.
 0 Never Sometimes 5 6 7 8 9 10 Almost Always
35. We shelter breakthrough ideas with their own budgets and people.
 0 Never Sometimes 5 6 7 8 9 10 Almost Always
36. We create a climate of trust, honesty, and transparency.
 0 Never Sometimes 5 6 7 8 9 10 Almost Always

Part 2: Scoring & Interpretation

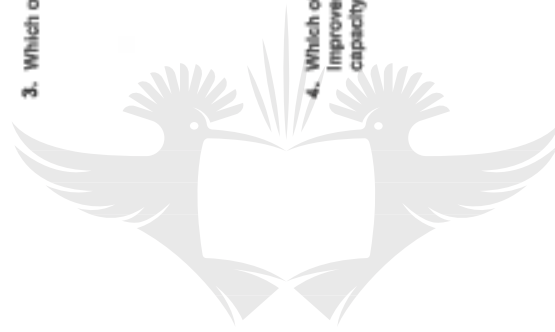
1. Next to each questionnaire item number below, record your rating from Part 1 of this questionnaire. After you have entered your rating for each question, calculate the average score for each dimension.

Item	Score	Item	Score	Item	Score
1.	_____	2.	_____	3.	_____
7.	_____	8.	_____	9.	_____
13.	_____	14.	_____	15.	_____
19.	_____	20.	_____	21.	_____
25.	_____	26.	_____	27.	_____
31.	_____	32.	_____	33.	_____
TOTAL = _____		TOTAL = _____		TOTAL = _____	
Total = _____		Total = _____		Total = _____	
Facilitative Culture			Supportive Infrastructure		
Different Change Approaches			Ongoing Strategizing		
Sufficient Resources			Willingness and Ability to Change		
4.	_____	5.	_____	6.	_____
10.	_____	11.	_____	12.	_____
16.	_____	17.	_____	18.	_____
22.	_____	23.	_____	24.	_____
28.	_____	29.	_____	30.	_____
34.	_____	35.	_____	36.	_____
TOTAL = _____		TOTAL = _____		TOTAL = _____	
Total = _____		Total = _____		Total = _____	

2. Which of the six major dimensions of change capacity is highest? Why?

3. Which of the six major dimensions of change capacity is lowest? Why?

4. Which of the six major dimensions of change capacity should be your top improvement priority? What specifically could be done to increase change capacity along this dimension?



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Organizational Change Management Self-Assessment Questionnaire

Use the key steps of successful organizational change to assess how well your organization manages change.

First consider how your organization has approached change in the past and how it is approaching any current or anticipated change initiatives.

Then score your organization on each of the 21 steps in the self-assessment instrument below using a scale of 1 to 5 where *1* means you strongly disagree and *5* means you strongly agree.

A score of three or less on any step could indicate a change management area in need of improvement that your organization may want to analyze and correct.

Our organization...	Score
1. examines external trends, issues and problems confronting it	_____
2. identifies and discusses actual or potential crises or major opportunities	_____
3. establishes an increased sense of urgency around needed change	_____
4. puts together a group with enough power to lead the change	_____
5. gets the group to work together effectively as a team	_____
6. creates a vision and strategy to help guide the change effort	_____
7. ensures that it is a shared vision and strategy	_____
8. continuously uses every available vehicle to communicate the new vision and strategy	_____
9. has the leadership team role-model the behavior expected of employees	_____
10. eliminates obstacles to the planned change	_____
11. modifies systems or structures that undermine the change vision	_____
12. encourages reasonable risk-taking and non-traditional ideas and actions	_____
13. focuses on results rather than activities	_____
14. plans for visible short-term improvements in performance (quick "wins")	_____
15. visibly recognizes and rewards people who make the wins possible	_____
16. monitors and adjusts strategies in response to problems in the change process	_____
17. aligns all policies, systems, structures and practices to fit each other and the change vision	_____
18. hires, promotes and develops people who can implement the change vision	_____
19. reinvigorates the change process through new projects, themes and change agents	_____
20. articulates the connection between new behaviors and organizational success	_____
21. creates processes to ensure leadership development and succession	_____



Listed below is a series of statements representing feelings that an individual may be experiencing at the organisation they work
Please indicate your level of agreement or disagreement in this standard questionnaire

Affective Commitment Scale	Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree
1 I would be very happy to spend the rest of my career with this organisation							
2 I really feel as if this organisations problems are my own							
3 I do not feel a strong sense of 'belonging' to my organisation							
4 I do not feel 'emotionally attached' to this organisation							
5 I do not feel like 'part of the family' at my organisation							
6 This organisation has a great deal of personnel meaning for me							
Continuance Commitment Scale							
1 Right now, staying with my organisation is a matter of necessity as much as desire							
2 It would be very hard for me to leave my organisation right now, even if I wanted to							
3 Too much of my life would be disrupted if I decided I wanted to leave my organisation now							
4 I feel that I have too few options to consider leaving this organisation							
5 If I had not already put so much of myself into this organisation, I might consider working elsewhere							
6 One of the few negative consequences of leaving this organisation would be the scarcity of available alternatives							
Normative Commitment Scale							
1 I do not feel any obligation to remain with my current employer							
2 Even if it were to my advantage, I do not feel it would be right to leave my organisation now							
3 I would feel guilty if I left my organisation							
4 This organisation deserves my loyalty							
5 I would not leave my organisation right now because if have a sense of obligation to the people in it							
6 I owe a great deal to my organisation							

Attention: Mr. & Mr.

From: Imtiaz Fajandar

REQUEST FOR PERMISSION TO CONDUCT RESEARCH

The research for my Master's dissertation at the University of Johannesburg involves Investigating the Causes and Consequences of Organisational Change. This project will be conducted under the supervision of Prof. Jan Pretorius from the University of Johannesburg.

I need consent from the company to allow me to use as part of my study, and the attached questionnaire to be voluntarily completed by staff members. The organisation and employees will remain anonymous and will be referred to as the "Organization" or "Engineering company".

Thank you for your time and consideration in this matter.

Yours sincerely,

Imtiaz Fajandar

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