

Change management principles

[Business](#), [Management](#)



Chapter 1: Introduction

1. 1 Introduction

This study will look at the nature of change management in the privatization of the public sector in Saudi Arabia. It is important to understand the nature of change management, but also to understand something about the process of privatization. Understood as the break up of state-run monopolies, privatization is opposed to nationalization, and is often informed by a political agenda, with right wing politicians favouring a free market and the left preferring state control. While there are advantages to nationalizing some industries, for example it allows the state to control vital areas of business including utilities which might be difficult to generate a profit from as privately run enterprises, nationalization can lead to many inefficiencies through lack of competitive pressure.

Privatisation introduces competition which helps drive down prices. In addition, it generates revenue both by the initial sale of the privatized industry and later through taxation, and is held to be good for the City (Campbell and Craig 2005). Private and state-run organizations, while concerned with providing a similar service or product, are run along very different lines. Overall, nationalized industries tend to be more bureaucratic, more hierarchical, less results oriented, have a politicised atmosphere, a different rewards structure and less emphasis upon entrepreneurship (Prokopenko, 1995). An awareness of the best way to approach and manage change is therefore vital.

Change Management has been defined as “ the systematic approach and application of knowledge, tools and resources to deal with change” (SHRM 2011 [online]) It is a process that helps the employees in accepting the change that takes place in their organization and adapting to that change (Kandt 2002). There are a number of different theoretical approaches to change management. Most theories involve a notion of the change process based upon Lewin’s three-phase model of change (Lewin 1951), which suggests a scientific approach to change, seeing it as three successive stages of unfreezing, moving (change) and refreezing. In the first stage, a motivation for change is created and together with it a climate in which change is possible.

In the moving stage new ways of doing things occur, new information is uncovered, new models for action are devised. In the final stage of refreezing the change is integrated into day-to-day organisational life (Vinger 2008). Lewin’s model has influenced different types of theory of change, which can be divided into three main categories. The earliest theories fall under the heading ‘ classical interventionist theories’, for example Minzberg and Westley (1992), and suggest that change is discontinuous and instigated by management.

Later theorists saw change as emergent: models of this type are called ‘ continuous change’ theories, for example Orlikowski (1996). Such theories see changes as a process which is always going on. There is a focus upon the micro level rather than the broader perspective. Finally, and even more recently, theories influenced by theoretical physics, biology and ecology

have emerged. Known as ‘self-organising’ theories, these suggest that change is also ongoing, but in addition that the organisation as a whole is a restless system. The focus is widened from the micro level to whole-system approaches (Passmore and Woodman, 2005)

A number of practical models have been developed to help organisations successfully manage change. This case study will be influenced in particular by a 6 step model introduced by Stanley, but other useful models which help analyse the organisation undergoing change have been proposed by Hall and others. These will be discussed in more detail in the literature review.

Within Saudi Arabia, there is currently a new focus upon privatization, which makes this case study particularly pertinent. The Supreme Economic Council of South Africa aims to enhance the nation’s economic capacity and competitiveness by a process of privatization of its public sector. The hope is that by opening out nationalised industries to market forces, the capacity of these industries will be enhanced. The overall aim is to help the country be more competitive internationally (Supreme Economic Council of South Africa, 2010). In order to fully understand the effectiveness of this move, the following research paper will look at the change management principles involved in privatization of the public sector in Saudi Arabia and its effectiveness, as well as impact upon employment. The research will identify reasons for the privatization of the public sector in Saudi Arabia and will aim to identify the principles of change management that should be in place in order to successfully privatize the public sector. The research will specifically focus on the privatization of the mobile communications industry of Saudi

Arabia through a case study of Saudi Telecom Company (STC). The study will be structured as follows. First, the aims and objectives of the study will be clearly identified. Next, a background to the study will be discussed in the literature review. This will look at theories of change management, and also at the particular case of Saudi Arabia and the communications industry. This will be followed by a methodology section where the rationale and process of data collection, sampling, questionnaire design, interview techniques, data analysis and other issues to do with collecting and reviewing the evidence will be discussed. There will be a discussion of the data, followed by conclusions and recommendations for best practice in implementing change management.

1. 2 Aims and Objectives

The overall research objective is to identify the best change management principles which can be used to address privatization of the public sector in Saudi Arabia, particularly in the mobile sector. This research study will help understand in particular the impact of these changes upon employees. This main area of interest will include:

Identification of the extent to which employees are aware of the major change management principles involved in the process of privatization of public sector.

The effectiveness of privatization for a particular business industry in Saudi Arabia, especially for Telecom Industry, through a case-study analysis of Saudi Telecom Company with particular reference to the experience of employees of the company

The best practices for managing change in the telecommunications industry in Saudi Arabia in terms of employee perspectives

4)Employee's views on how the change process has been managed and communicated.

5)Privatization of the mobile sector in Saudi Arabia and its effect on Saudi Telecom Company.

These objectives of the research will be helpful in guiding the researcher in finding the answer to the main research questions:

How has change been managed in the Saudi Telecom Company through the change from a nationalized organization to a private one
To what extent were employees aware of this

What changes have employees been aware of

In the eyes of the employees, which practices are effective
Which are less effective

What have been the negative and positive impacts of changes from an employees point of view

What does the case study tell us about best practice in managing change in the telecoms industry in Saudi Arabia

1.3 Background of the Study

Change management has a very crucial role to play in the transforming of organizations. It provides the organizations with a proper model based on which change can be managed (International Labour Organisation 1999). As the task of managing change is difficult, organizations often depend on a

change management system in order to make their change successful. In the case of the organization studied, they also refer to an outside change expert in order to deal with the change. As the transformation from public to private sector involves a huge transformation in the policies, principles, practices, activities, operations, technology and competition, in order to make this transformation successful and acceptable, it is very important to implement certain change management principles. Lewin (1951) suggests that change management consists of dealing with three stages of change, freezing, moving and unfreezing, and this model is useful for the case study of the Saudi Telecom Company to help analyse management and employee reactions. It also offers a model, when used in combination with key tools including Stanley's model, to help make change successful by allowing employees, through management strategy, to understand the need for change, the necessity for some upheaval, but the ways in which the change can improve their working lives. One key factor is the need to include all employees, no matter what their role in the organization, in a shared vision for the future of the organization. Only if everyone is committed to the change plans can those changes be brought about (Bessant and Tidd 2007).

The need for transformation from public to private sector is high within Saudi Arabia, and is considered essential in order to ensure the economic and operational growth of the country (Supreme Economic Council of South Africa, 2010). The telecommunications industry in Saudi Arabia has moved towards privatization through the formation of liberalized regulations and policies. To further this end, the Saudi Telecom Company (STC) was been formed in order to regulate the public telecommunication networks and

maintaining quality base of diverse telecom services (Communications and Information Technology Commission, Saudi Arabia 2005). This research study will help explore pertinent facts and evidences about the change management practices in order to inform wider practice.

Chapter 2: Literature Review

2. 1 Privatization strategy in Saudi Arabia

Before looking in more detail at some theoretical approaches to change management, it is necessary to understand the strategic objectives set by Saudi Arabia for privatization of the public sector. Change management has already been acknowledged by the Supreme Economic Council (2010) as underpinning their plans for the transition from publicly owned to private organizations. The importance of change management increases even more at a place where such a huge transformation is going to take place (Bass and Bass 2008). As the privatization of the public sector will make the economy of Saudi Arabia more efficient and able to compete on the global level, this transformation is particularly central for the nation. It is also very important for the country that this transformation should take place as quickly as possible and without any errors. The privatization agenda in Saudi Arabia has been written into the countries 9-year strategic plans, but has so far preceded less quickly than might be hoped, largely due to the scale of the change involved. It is not simply a matter of changing within an organization, but changes need also to be made to legislation and regulatory mechanisms as well as to the sector as an whole. (Ramady 2010) Therefore, the country has to depend on proper and efficient change management practices in

order to deal with these transformations and achieve the set objectives and goals

The Supreme Economic Council (2010) has defined eight objectives that Saudi Arabia needs to achieve in the privatization of the public sector. Some of these objectives are particularly relevant to the case study here. First, privatization should enhance the competitiveness of the country and improve the capacity of national economy. So far, Saudi Arabia has taken certain steps including the development of the labor and capital market in order to create an environment for investment so that the objective of privatization can be achieved. In order that privatization can occur successfully, it is necessary that all the firms in an industry should operate under similar circumstances of competition. In terms of the case study, has the privatization increased competitiveness of the organization?

A further objective given by the Supreme Economic Council is to enhance employment opportunities thus motivating the workforce and, in turn, making it more productive. This is hoped to lead to a substantial increase in individual income and living standards. The development of human resources is a major element of national development, and there is a need to prioritise it in privatization. Policies which the Supreme Economic Council believe can help improve human capital and resources include the need to provide adequate training and information, and where redundancies need to be made, that these are carried out fairly throughout (Privatization Strategy for Saudi Arabia n. d.). In terms of the case study, what do employees and

management feel has been achieved by the privatization process in terms of employment and training?

The Supreme Economic Council also suggest that citizens and investors should be provided with cost-efficient services. There is a possibility in the short-term that the process of privatization, being expensive, might lead to an increase in prices and a reduction in service quality. An agency should be created which can deal with such issues, to oversee the regulation of increased costs, control quality and related matters. In addition, there is a need for a clear fee structure for services (Privatization Strategy for Saudi Arabia n. d.). In the light of this, the case study will look at the extent to which costs have been changed and service levels effected. A final relevant objective suggested by the Supreme Economic Council is to rationalize the public sector and (in the long term) public expenditure, and reduce the burden of government. Again, certain key policies are recommended to facilitate this objective: for example, the need for clear and coherent evaluation of privatization projects in order to understand whether the proposed exercise is feasible before moving the management to private sector. Another key policy is the transfer of government investment to privatization projects. To what extent has the privatization process been well implemented in the case studied?

2. 2 Change Management Principles

In order to understand how the process of change was managed in the case study considered in this piece, it is necessary to understand something about the tools which can be used to process and understand change

management. It has been suggested frequently that one of the most important ways to handle change is through vision. Once there is a strong vision of how the organization should be, where it is going and what it will look like, different tools can be implemented in order to make this change come about. Vision cannot be separated from its communication. Armenakis et al identified the need to develop a ‘message for change’ influencing the beliefs, attitudes and intentions of employees (Armenakis et al, 1993). However, vision alone, or even together with communication, is not enough. Vision needs to be translated into strategy, and a number of useful tools can help with this. There are a number of tools to assist with assessing organizational needs and implementing change. Tools can be used to analyse the organization itself as well as the environment in which it operates. Many are influenced by a model suggested by Leavitt (1965) who postulates a diamond with ‘structure’, ‘task’, ‘technology’ and ‘people’ at each of the four corners. Leavitt suggested that change in one component necessitates change in all others. Models based on this include Weisbord’s ‘six-box’ model (1976) and Waterman, Peters and Phillips ‘7 S Framework’ (also known as the McKinsey Model).

Porter’s ‘Five Force’ analysis, can be used for looking at the organization by identifying five forces which impact upon the organization in the market-place and uses these, in conjunction with an assessment of whether the organization is industry-wide or occupies a niche within that industry, to generate four possible strategic positions which combine cost with differentiation of organization and products (Porter, 1998). Further tools include the PESTEL model (variants are known as PEST, STEP, PESTLE

amongst others), first suggested by Aguilar (1967) and developed extensively during the 1980's, which looks at the climate in which the organisation operates taking in the political, economic, social, technological, environmental and legal aspects. Another useful tool for assessing an organizations strategy for change is Stewart's ' Assessment of Change Readiness' (Stewart, 1996). This identifies 12 key elements present in any company. The assessment involves ranking the organization in terms of how ready it is to approach change by rating each element on a scale of 1 to 3. A score of 3 indicates that the organization excels here, and is ready for change, a score of 1 suggests the area is problematic or the organization has no experience. The areas include leadership, motivation, direction, process, competitors, customers and organizational structure. The 12 key elements are open to debate: some of them seem to fall within the scope of others, for example communication and organizational hierarchy seem to be part of ' organizational structure'. The model also has built in parameters which can be questioned. Stewart assumes, for instance, that a strong hierarchy is detrimental to change, but it could be argued that the existence of a hierarchy would allow any change to be easily implemented once it was assimilated into the organisation. Another useful model is proposed by Stanley (2006), who holds that there are seven principles for change management. These principles are as follows:

1) A solid base. It is necessary that an organization should be clear about what is to be changed and how that change should be brought about.

- 2) Identification of differences between formal and informal practices in an organization.
- 3) Control expectations regarding proposed changes
- 4) Selection of change agents
- 5) Building support among like minded people
- 6) Identification of those who are against change and neutralize them
- 7) Avoid Future Shock – set a time frame for the change management process.

However, it should be noted that this model seems to fall into the first of the three categories of theory of change management discussed above. That is, it seems to assume that change happens as a result of ‘top-down’ action by management, and does not allow for the input of all employees into devising a change strategy or implementing that strategy. More recent models were discussed above, and insights about the organic nature of organizations and the need to make changes at the micro level will be incorporated into this research study.

2.3 The Impact of Change upon Employees

As the study will be concerned to map the perception of and responses to change management within the Saudi Telecom Company of employees, it is necessary to understand a little about how employees’ psychology is effected by styles of change management. By understanding the impact upon employees it is easier to understand the best way to manage the change. It

is essential to keep employees motivated during change, as motivated employees have higher productivity, are more loyal and more engaged with the organization: all essential during periods of change (Blake and Bush 2008). The psychological impact of large-scale organizational change should not be underestimated. Seldom does a large change mean one change only, but rather a series of smaller changes to working practices, employee conditions and so on over a period of time which can stretch to months. People react to this set of changes in different ways, and can experience highs and lows. Typical reactions include breakdowns in communication, a belief that the changes have eradicated past practice, and a perceived increase in work load. Employees may feel less secure, less satisfied with their job, less motivated, and more inclined to leave. They can also feel isolated, under-valued by management, unsupported, a lack of control and of stability. Impacts are felt not only at the individual level, but also within groups making up the organization (teams and departments for example). Political interests may clash. (Holbeche 2006). It is therefore necessary to involve employees in the change management process from the outset. Their views should, if possible, be included in initial analyses of the need for change, even before the strategy and planning stages are carried out. The strategic vision also needs to be well communicated to all employees, in order to access their support (Kneer 2009). Sims suggests some practical ways to make sure employees are fully integrated with the need for change. These include the need to involve the maximum number of people as instigators of change, perhaps including new and different voices. This will help create a 'critical mass' of change agents. Next, he suggests that

employees should be linked together, to create a 'community of change'. By group discussions, new ideas and approaches are instigated, and a climate of creativity and openness is fostered. No one person has all the answers. Finally, there is a need for a climate of openness. Information should be freely shared, and no-one should be afraid to speak their mind (Sims 2002). While Sims ideas are strongly expressed, it should be asked whether they are somewhat idealistic. In practice, and with the threat of losing one's job around, are employees actually going to express themselves fully and without regard for the consequences? Overall, however, it is vitally important to recognize the impact of change upon employees.

2. 4 Application of Change Management Principles in Saudi Arabia

One of the reform strategies adopted by Saudi Arabia is the public announcement of privatization of many of its state owned enterprises. In this way they are adhering to one of the principles of good change management as defined above; the need for communication. As state-owned organizations are ultimately publically owned, then the public are stakeholders in the transformation to private status. Recent announcements have shown that no industry will be left untouched by the privatization policy of Saudi Arabia, and the scale and ambition of this programme has been successfully communicated to the public. However, one consequence of the scale of the enterprise is the increased need to utilize good change management practice, identifying a vision, communicating that vision and creating a strategy for change implementation through the process of 'unfreezing', 'movement' and 'refreezing' (Lewin 1951), analyzing the organizations

current external and internal environment and using change models like that proposed by Stanley (2006). The sheer scale of the change to be made in Saudi Arabia makes the incorporation of good practice vital if the change is to be successful (Ramady 2003). As Rainey (2009) points out, the approach needs to be very systematic in order that the strategic vision be fully implemented through combining change management with an efficient strategic planning process to implement privatization. He is also hopeful that in Saudi Arabia privatization can be managed very easily if proper change management principles are applied. Whether his hope can be translated into practice will be investigated by the current research study.

Change management is therefore of central importance in the process of moving from publicly-owned to private organizations in Saudi Arabia. It has a role to play from planning through the implementation of the change vision to subsequent reviews of the success of the process. It can also be helpful in overcoming any resistance to change. Public opinion in Saudi Arabia is a complex matter, and there is suspicion of changes to tariffs for public services. In addition, opinion is led by religious leaders, and there is some resistance to ideas associated with the West, particularly in rural parts of Saudi Arabia. (Rivett and Davison 2002) It is very important while bringing about change that the resistance should be dealt with firmly, but with sensitivity to the complexities of issues and contexts involved. The conversion from public to private might not suit all the population. Therefore there is an additional need to ensure that the benefits of the change are clearly communicated to address resistance.

Saudi Arabia first decided to instigate a programme of privatization in the early 1990's with the establishment of a ministerial committee in 1997, and a public announcement of plans in 2002. The programme's scope was large in scale, aiming to bring about the privatization of many sectors including telecommunications, aviation, water, transport networks, healthservices and government owned hotels. There was little progress in the early years, in part due to the need to develop a number of new laws and regulations covering for example the capital markets and its liberalization (Shoult 2006). However, the need for a clear strategy for managing the change has been included in the heart of plans, with a stress upon the need for regulatory frameworks and agencies, fair and safe restructuring of the formerly publicly owned organizations, the use of strategic partners and the aim of fostering a better business environment. The initial public offering in 2002 of 30% of the shares of STC, a leading telecommunications provider, met with great interest (Niblock 2006). The recent announcements made by Saudi Arabia have stated that the Airlines and mining industry will get privatized (Hodge 2006). However, the process is far from complete, and there is a further need to involve the Saudi people should be involved in the processes. The people who are going to get affected by the change should be involved in the process of bringing about the change so that they can have a proper knowledge about the change and know what the reasons behind this change are (Cameron and Green 2004).

There other key issues to be addressed within Saudi Arabia if the process of privatization within any one organisation is to be brought about successfully. Above was mentioned the need to involve the public, but there is an equal

need to involve members of the organization undergoing change, in order to obtain their support. In addition, each industry undergoing the change process needs to be thoroughly understood (Stanley 2006). It is also vital to understand where the organization fits into the overall scheme the Saudi government have devised for privatization in general. It is necessary to ensure that all the change management principles should be in compliance with the objectives of privatization laid by the Supreme Economic Council. If the change management process is not able to comply with the objectives of privatization, it will not be helpful in the successful implementation of the change (Manner 2005). Fourthly, all the necessary stages to carry out the change from public private need to be planned in great detail, with an emphasis upon continuing communication about policy and practice not just at the start of the process but also throughout (Hiatt and Creasey 2003). In addition, an essential part of the strategic plan for managing change is risk assessment: all issues related to the change should be anticipated and possible responses if they occur formulated. This will help avoid unplanned and unwanted problems at a later stage. Conclusively, it can be said that if change management is applied properly and effectively, it can be very helpful in the effective implementation of change.

The following study will investigate whether the Saudi Telecom Company have been effective, as an individual organization, in taking these steps.

2. 5 Effectiveness of Privatization in Telecom Industry (STC)

This section will look briefly at what has happened so far regarding privatization of the telecom industry in Saudi Arabia. It was included in

planning for privatization from the outset, in the 1990s. The Saudi Telecom Company was formed as part of the overall plans for privatization of the industry, in order that the expansion projects of the telecom services can be managed properly. The rationale for including telecoms at this early stage was the realization that the telecom industry is one of the main drivers for liberalizing and restructuring industry within Saudi Arabia, and was able to lead privatizations in other industries (Saudi Telecom Co. 2002). In addition, the telecommunication industry is growing rapidly and has heavy investment in research and development in different areas including voice, mobile and fixed line communications.

So far, the Saudi Telecom Company has made some significant contributions towards the development of information and communication technology (ICT) infrastructure, and seems to have the power to lead interest from foreign investors. They so far seem to have complied with all necessary regulation and government strategy, for example liberalization schedule, evaluation of functional roles to facilitate the establishment of statutory rules and processes, development of organizational model, assessment of required human resources and financial requirements instigated through the Saudi Communications Commission comply with (Saudi Telecom Co. 2002). Existing research has looked at the progress of the Saudi Telecom Company so far. It has, for example, successfully integrated some transformation, as well as developing strategic priorities to restructure the imperatives. The company has demonstrated an ability to manage its operations in an integrated manner through the deployment of its network capacity and carefully planned marketing and branding strategy. So far, the company's

realignment of its financial, marketing, business processes, organizational and human resource sectors has resulted in growth (Melody 1997). The company is highly oriented towards human capital, and is heavily committed to its workforce for example their training and optimizing their performance, as they see human resources as a way of developing and sustaining growth and in turn offering new employment opportunities. To this end they have instigated a developed training programme using a number of approaches including collaborative training. (Communications and Information Technology Commission, Saudi Arabia 2005). The company also aim to develop the Saudi people as a whole, and work towards empowering the Saudi society through making a contribution to ICT and communications. As such, they demonstrate a ‘ stakeholder’ approach which aims to address the views and motivations of all those who have a stake in the organization, not just the shareholders and those who gain financially from the company’s activities.

While the organization has clearly made substantial inroads into the instigation of privatization, and while there already exist studies which look at the the impact this privatization has had upon the organization, existing studies seem to concentrate upon the economic benefits and social benefits of the change, rather than looking at how the change process was managed. There is still scope for considerable research looking at how change has been implemented in detail and how employees and management were involved, for example. By focusing upon the successes and failures of the change management process in the Saudi Telecom Company, this study aims to look

at what is most successful in implementing change from public to privately owned organizations in Saudi Arabia.

Chapter 3: Methodology

3. 1 Introduction

This chapter presents the methodology used in the primary research phase of the study. The chapter covers the general research approach or philosophy which underpins the investigation, then moves on to discuss data collection methods including sampling and questionnaire design and distribution. It then looks at the methods used for data analysis, and concludes with a short discussion of ethical considerations and the limits of the approach.

While the main content of this section concerns the primary research study, in which in-depth, semi-structured interviews were carried out with employees of the Saudi Telecoms Company, there was also a secondary research phase, which has been presented in the literature review. This was based around already published information, and was primarily carried out using relevant text books and academic articles, looking at three main areas: the nature of change management, the nature of change from public to private sector, and the situation in Saudi Arabia. This data was collected through key word searches in key business and management databases. The aim was to restrict data to articles and books published in the last 10 years, particularly as the main thrust of the move towards privatization has taken place since 2002. Some earlier theoretical work was also included. Key words

searched included ' change', ' change management', ' privatisation', ' Saudi Arabia' and combinations of individual terms.

3. 2 Research Approach

It was decided to take a qualitative approach to collecting data, rather than a quantitative one. This is a basic distinction between research methods, although the two approaches are increasingly combined. Quantitative research deals with the collection of data in the form of numbers. It follows the scientific method, establishing a hypothesis which is subsequently to be tested, and looking at defined research questions (De Vaus 2002). The approach is positivist and objective. Positivism is an epistemological viewpoint popularized by Auguste Comte. Comte was a 19th Century French thinker, and he believed in a progressive view of human development: the scientific and rational perspective would eventually become dominant through a methodology of testing propositions about that world and by avoiding metaphysical claims (Kincheloe 2003).

As such, quantitative research echoes the scientific, laboratory approach, and aims to establish or refute relationships between variables, and typically collects larger amounts of data from a wider group of respondents in order to ensure that conclusions are significant. Typically, quantitative research utilizes statistical software packages such as SPSS to analyse the data which has been collected. By contrast, qualitative research examines human behaviour, often collected as text. It is a deeper, richer approach that is concerned to identify the meanings of human experience, and explore subjectivity. In general, fewer respondents are surveyed, and the results are

less generalisable and less statistically significant. A typical form of qualitative research is the case study (De Vaus 2002; Gilner and Morgan 2000). The approach is inductive, rather than deductive, starting with a general area of interest and, after gathering data relevant to this area, refining the initially broad ideas into more defined conclusions. The emphasis is upon the way the world is interpreted by an individual or group (Bryman and Bell 2007). Data analysis methods include the generation of themes from the material collected, content analysis and the coding of key elements. Qualitative research may involve varied approaches including ethnomethodological and feminist ones (De Vaus 2002; Gilner and Morgan 2000). All approaches are forms of interpretivism. This approach derives from philosophy and the human sciences and was developed from the 19th century onwards by Dilthey, Weber and others. The focus is upon the way individuals make sense of the world and the social and cultural content for this act of making sense (Holloway 1997).

The current study adopts an interpretivist, qualitative approach. Most current studies of the process of privatisation in Saudi Arabia utilize a positivist approach, so this study aims to introduce a new perspective, looking at the meanings ascribed to the process of privatization, and what it means in terms of employment opportunities, for the individuals concerned.

Interpretivist approaches offer the chance for deeper knowledge of people's views, and the social and cultural context which influences them (Browne 2006). The aim is to examine the meanings that employees of Saudi Telecoms Company assign to the process of transformation from publicly owned to private organization, allowing in-depth exploration of a number of

areas including respondent awareness of the change and the reasons for it, how the change has been implemented, and how the respondents feel about it, any particular areas of concern regarding the change, and the feelings they have about how the changes will impact upon their future as employees. The interpretivist approach will be enriched through grounded theory (Babbie 2008). Grounded theory was developed by Glaser and Strauss (1967), and allows an element of positivism to be incorporated into qualitative research. The data collected, concerned with an exploration of a relatively small number of individuals feelings about privatization, can, through grounded theory, be subject to a process of classification and systematization as the data interpretation allows key themes to develop. Grounded theory allows the researcher to be both creative and scientific, to incorporate a number of differing respondent views, to frame an interpretation based on the raw data. It emphasizes a questioning approach as initial interpretations of data are critiqued and reformed. It is usefully supplemented by a process of data interpretation called coding (Babbie 2008).

3. 3 Data Collection

In this study, the method of data collection used is the questionnaire. While qualitative research utilizes a range of methods of data collection, including observation, group interviews, video recordings and personal diaries (Browne 2006), in this case, questionnaire was held to be the best approach. There is a basic distinction, when collecting data for qualitative studies, between naturally occurring and generated data. Naturally occurring data might include employees' spontaneous behaviour in work, for example.

The most appropriate methods for collecting naturally occurring data include observation, documentation, conversational analysis or discourse analysis. By contrast, generated data is data which occurs through some intervention by the researcher, typically where the aim is to find out what respondents think about a particular subject. In this case, appropriate methods of data collection are the focus group or in depth interview. (Ritchie and Lewis 2003). In this case, the data of interest concerns employees' thoughts about the process of privatization. These thoughts are not expressed in naturally occurring phenomena, or at least not in a frequent or observable form. It was therefore decided that data should be generated. It was also decided that the in-depth interview is more appropriate for this study than a focus group. A focus group consists of a number of subjects who are interviewed together regarding their thoughts on the matter of interest. In-depth interviews are conducted with one respondent at a time. Both approaches have their uses: focus groups are ideal where the researcher is concerned to investigate the group perspective, or where new ideas are likely to be generated as people discuss ideas within a group. In-depth interviews allow a bigger focus upon the perspective of the individual (Ritchie and Lewis 2003). In this case, it was decided to interview individuals alone, because it was felt that people would be more able to discuss matters relating to employment prospects if they felt their thoughts would be confidential. Ideas about career progression, payment structures and management handling of the privatization process are not ones that most people would want to share with their co-workers.

It was also decided to use a semi-structured interview rather than have totally unstructured interviews. There are three types of interview possible,

the structured, the unstructured and the semi structured. Structured interviews are frequently identical to a questionnaire administered by a researcher. They allow for possible ambiguities with the questions to be cleared up during interviewing. Unstructured interviews are very flexible. There are certain topics introduced, but the interviewee can steer the direction the interview takes. Although flexible, they have a number of disadvantages: they can be hard to control by the researcher, they are difficult to plan and data analysis can be difficult. Semi structured interviews lie midway between the two extremes, with more planning in advance of questions and more direction by the researcher, but offering considerable flexibility to the interviewee and much scope for open-ended responses (Wilkinson and Birmingham 2003). Semi-structured interviews should have a clearly defined set of questions that follow a sensible order, and should be planned in advance. They will typically include context-free and open-ended questions, which allow the researcher to probe the respondent for more detailed responses (Johns 2002). While semi-structured interviews are midway between structured and unstructured in form, they allow a distinct research approach to be taken. They are not confined to generating data about ' what' happens, but help the researcher move beyond a description of phenomena to uncover ' why' and ' how', by uncovering respondents motives and thoughts under the surface. Because the researcher can probe the interviewee, it is possible to generate a richer interpretation of his or her initial responses to the questions. In this way, the semi-structured interview can be iterative, as initial research theories are amended through a process of learning more about the interviewees' thoughts (Thomas and Mohan

2007). In this study, 6 areas of interest were generated to be used to initiate questioning. These areas were informed by the literature review above, which investigated the nature of change management, and the particular case of Saudi Arabia. The aim was to uncover what employees felt about the changes, and particularly what they felt about the impact of these changes on aspects of employment. The questionnaire was structured sequentially, to move the focus from the broad understanding of what changes are happening in the organization, to what the changes mean for that interviewee. The first question probes for details of the change in the eyes of the respondent, and the second uncovers what that respondent feels initiated the change from public to privately owned company. The third question looks at the respondent's experience of the process of change, in terms of how the change was structured, how the change was communicated, what the respondent feels about this, and what could be improved. The fourth question looks at problems that arose in the change process, and anticipated difficulties from a number of different perspectives. The fifth question looks in depth at the impact of change management on life for employees covering a number of areas including motivation, training, career development and job security. Finally, the focus is widened again to look at the impact the respondent feels the changes to privatization in Saudi Arabia overall have on employee motivation. The questionnaire, once developed, was piloted. This is a process of testing a questionnaire before it is used with respondents. In larger, quantitative studies, a test group of respondents from the sampled population can be used to test the questionnaire, but in this case it was tested with colleagues. By piloting the

questionnaire, it is possible to make sure that all questions make sense, that the 'flow' is appropriate, and to find out how long interviews are likely to take (Brace 2008).

Sample for the study was drawn from the employees of the Saudi Telecoms Company. The aim of the study is to generate conclusions about the population of interest: in this case the employees of Saudi Telecoms. However, it is not possible to interview every employee of the company. It is therefore necessary to select a sub-group of the overall population, a 'sample', for interview. It is important to make sure that the views of the people interviewed are representative of the larger group of interest, and consequently important to ensure that the study group is sampled effectively. Very different sampling techniques are used for quantitative and for qualitative research. In quantitative studies, the concern is to make data collected from the sample group generalisable. Techniques of probability and random sampling are used. However, qualitative approaches use non probability sampling, as it is seldom feasible to select a probability sample, and usually a need to draw respondents from a group of available subjects. One approach to sampling is simply to use the people who are most available, or who offer themselves as respondents. However 'availability sampling', while easy and less expensive, can introduce bias (Rubin and Babbie 2008). In this case, for example, the people who were most keen to take part might be those who are very critical of the process of privatization, for example because they feared their job might be at risk. To simply take these people as the only respondents would lead to the conclusion that all employees were negative about the changes, which might not be

representative of the views of most employees. Therefore, techniques of ‘purposive’ or ‘judgmental’ sampling were used. The aim of these techniques is to select people to be interviewed on the basis of the researcher’s knowledge of the overall population (Rubin and Babbie 2008). In this study, the human resources department of the Saudi Telecom Company were approached for their help in selecting and recruiting respondents. It was hoped to find between 5 and 10 respondents for in-depth interview who would represent a cross-section of the employee population. A balance was aimed for between male and female, and across the age ranges. In addition, both employees and managers were interviewed, and people who had been employed from various lengths of time from a few months to a number of years were included. Through the help of the HR department, x interviewees were recruited, and they were interviewed over a period of 2 weeks. Interviews typically lasted 1 to 1.5 hours, and followed the format of the pre-designed questionnaire (See appendix 1). Interviews were audio taped.

When devising the questionnaire, and interviews, there was also a need to be aware of ethical considerations. In this, the researcher was guided by regulations set out by the researcher’s university in the ‘Regulations Governing Studies involving the Use of Human Subjects’ (UPR 12. 1). In particular, the following areas were considered. As the research involves human subjects, there was a need to ensure that these subjects did not come to any harm as a result of the research, and that their privacy was not invaded. While there was no risk of harm in the way, for example, that subjects in an experiment with new drug treatment might have, it was necessary to ensure that respondents fully understood the point of the

research, what would happen to the data collected, and their right to withdraw at any time. In this case, a written ‘informed consent’ form was drafted, to be read and signed by all participants at the start of the interview. This stated the purpose of the research, the voluntary nature of participation, that the data collected is confidential and that subjects are anonymous, and finally that subjects can withdraw at any time. In addition, because data was collected from employees of the Saudi Telecommunications Company, permission was also sought and obtained from a senior manager before employees were contacted. Also, permission was obtained and granted from the University Business School Ethics Committee through completing an ‘Ethics Approval Form’. No minors or vulnerable groups were included in this study. The data gathered, and the final report, are only available to the university, participants, and participating organization as suggested in the UPR 12. 1

3. 4 Data Analysis

The data was recorded onto audio tape, and transcribed. Key themes were discovered using techniques from grounded theory and coding. The approach generated by Strauss and Corbin (1998, cited Alston and Bowles 2003) was used to inform this process of the research. In grounded theory, there are three phases to research: data collection, data coding and memoing. The data collection stage has been described above. In the coding stage, the data is analysed and conceptualized. Ideas are separated out, and key concepts highlighted. These are compared and related to each other. In the memo stage, the researcher steps back from the created codes, thinking theoretically about the categories, recording questions and highlighting

interpretations. This process ideally involves a back and forth movement as the researcher goes back to the data collection stage, for example, when new insights into the data have been generated. This process is known as ‘theoretical sampling’; going back to the data source to collect more information as a result of a need to address particular ideas (Alston and Bowles 2003). However, for cost and time reasons, it was not possible to re-interview respondents to ask them further questions about their experience of managed change. What was possible, however, was going back to the tape recorded interviews to read over them again in the light of new ideas. This allowed the researcher to revise the theories which emerged, and reorganize the key categories. A systematic procedure was followed in data analysis. The transcripts from the taped interviews were made as early as possible, and full annotation (dates, details of interview for example) was made. The coding process was started. Following suggestions by Alston and Bowles (2003), preliminary codes were first defined, and subsequently more detailed codes were discovered and related to the main themes in a coding schema. Strauss and Corbin (1998) suggest some ways of approaching coding that were useful in this study. They suggest looking for ‘conditions’ and consequences’, ‘interaction amongst actors’ and ‘strategies and tactics’ (Strauss and Corbin 1998). As this study is designed to look at what employees think about the results of and motivations for change and management of change, and the impact upon employee welfare, there was a particular interest in finding ‘conditions’ (signaled by words including ‘because’, ‘as’ and ‘since’ and ‘consequences (signaled by ‘results’ ‘therefore’ and other similar terms). The distinction between axial, open and

selective coding was also used. Open coding allows the relatively free collection of key concepts, axial coding organizes them by principles, and selective coding works at a higher level by generating over-arching thematic interpretations (Strauss and Corbin 1998)

The results of the primary research phase data collection and analysis will be discussed in detail in the subsequent chapters.

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