

# The Challenge of Change for Multinational Organizations: A Case Study

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## Abstract

Graduate students and faculty at The George Washington University (GWU) partnered with Global Organization (GO) to identify and ameliorate challenges related to the rapid cycling of organizational change. The purpose of this case study was to gather a baseline of individual symptoms and their impact on organizational attitudes to develop an informed and defined action plan for continuing transitions. Research was conducted to improve the overall effectiveness of GO, which is renowned for its unique identity and international relationships, as well as to create a customized method for maintaining effectiveness through transitions. Results of both qualitative and quantitative analyses are presented. The discussion includes comprehensive recommendations and implementation strategies that can enable GO to successfully redefine its mission and address any critical organizational symptoms. The implications of the current study may also prove relevant for other global organizations faced with continuous change.

## Introduction

To remain relevant in a global community, an organization must constantly re-evaluate its purpose and maintain a sense of urgency. The term “organizational change” bears a stigma so strong that many organizations avoid the uncertainty inherent in change at all costs. This fear of change is not unfounded, as 70% of transition initiatives fail (Grady, 2012). Although many change theorists celebrate their method as the most efficient mechanism for successfully managing change, we suggest that there is no one right change theory or model. Unlike strictly linear change models, a customizable change approach combining elements from the extant literature such as Duck (1993) and Kotter (1995) can be especially appropriate when dealing with the complexity of multinational organizations.

This study examined Global Organization (GO), which recently merged with a larger parent organization, Allied, and is challenged with continuous change. Although this merger has the potential to become an invaluable partnership, many challenges have surfaced and impeded progress. Importantly, GO has been unable to clearly define its functions, processes, and chain of command and has recently questioned its true organizational purpose. The combination of GO and Allied's rich histories and cultures has led to identity ambiguity, rather than empowerment and support. Within GO, there exist several factions that disagree on how to successfully move forward. As its current leadership will soon transition out of office, the timing for targeted organizational intervention is both opportune and critical for the future of GO.

The purpose of this study was to gauge baseline individual symptoms of volatility and organizational outcomes prior to a change in leadership and to make recommendations as to how GO should continue to reform to better meet its strategic objectives moving forward. At times of uncertainty, it is essential to use an organizational change assessment to reevaluate the direction of an organization. The quantitative data in this study was conducted using the Loss of Effectiveness (LOE) Index Survey, a validated change management tool (Grady, 2012).

The LOE Index is based on research tied to attachment theory and provides an overall guide indicating the level of change volatility within an individual with regard to their organization. John Bowlby (1969) studied attachment behavior in infants, and later proposed that this phenomenon spanned into adulthood in relation to social groups and institutions. Attachment theory asserts that the use of transitional objects for both infants and adults increases the likelihood of a successful change. The loss of stability during a period of change is an important event that many linear change models do not adequately address; whereas, a customized change approach serves as a transitional object itself, and is considered essential for a successful change initiative.

By analyzing both quantitative and qualitative data sets, the researchers observed individual symptoms and developed mitigation strategies to overcome these challenges. The quantitative and qualitative results were consistent with one another, providing even stronger validation for the findings. Through the identification of these symptoms and with the use of observational tools such as Hofstede's Cultural Dimensions (1980), the researchers were able to outline a "to be" state for the organization. Furthermore, the researchers developed and outlined a comprehensive set of change management recommendations that not only support the current transition of leadership but also provide a strong foundation towards satisfying the intended mission of the organization.

The discussion is organized into six parts. First, the researchers provide background on the organization's environment. Second, an outline of why the LOE Index research methodology was used is provided along with the procedures for data collection. Third, the researchers provide a detailed description of the results and findings. Fourth, recommendations are offered that directly tie to GO's organizational symptoms and challenges. Fifth, a mode of implementation is discussed. The last section details the risks of non-implementation, lessons learned, research limitations, and potential application to future studies.

## **Organizational Environment**

Throughout years of independent operation, GO established a rich history due in part to the unique cultures of its employees and collaborators. Since merging with Allied, both organizations have experienced numerous challenges related to structure, culture, communication, and resources resulting from both episodic and continuous change (Weick &

Quinn, 1999). Currently, GO is composed of three primary divisions that direct the internal and external business processes of the organization: the Executive Division oversees policy and governance, the Administrative Division handles daily internal business operations and the Training Division provides workforce training and support services to the GO and its members. Due to the culturally diverse make-up of the organization, GO conducts meetings, correspondence, and other general business activities in multiple languages.

Having been brought under the control of Allied without clearly defining functions, resources, and chain of command, GO has been unable to establish a separate identity to the satisfaction of its stakeholders and the prospect of change initiatives has triggered anxiety among many within the organization. Additionally, cultural barriers within all three divisions have been difficult for GO to manage; therefore, it is imperative to understand the role that national cultures play in the overall organizational system (Hofstede, 1980). Hofstede's (1980) widely cited work categorizes cultures based on Individualism/Collectivism, Power Distance, Uncertainty Avoidance, and Masculinity/Femininity.

The impact of these factors on GO's ability to function efficiently have created numerous disagreements regarding the best method of integration with Allied. Given Allied's control over GO's budget and funding, the need for GO to integrate and manage change is critical for future growth and development.

## **Method**

### **Participants**

Participants in the quantitative portion of the study were comprised of 51 GO employees. Approximately 25.5% of the participants were from the Training Division ( $n = 13$ ); 37.25% were from the Executive Division ( $n = 19$ ); and 37.25% were Administrative Division employees ( $n = 19$ ). The total sample of 51 represents almost 47% of the total organizational population ( $N = 109$ ), which is a satisfactory return rate for organizational surveys of this nature.

### **Procedure**

Electronic correspondence was sent to members of GO inviting them to take part in a web-administered survey. In person interviews were also conducted with nine senior members of GO by one to three GWU graduate students and supervised by one to two GWU PhD faculty members. Participants were asked three prepared questions, and follow up questions were asked based on responses. Permission was requested to record interviews, and eight of the nine interview sessions were recorded and transcribed.

### **Quantitative Measures**

Grady and Grady (2013) discuss attachment issues as a cause of the 70% failure rate associated with organizational change initiatives. Attachment theory states, "human beings instinctively and often subconsciously attach to people, groups, or other objects to establish a sense of security throughout their lifetime" (Grady & Grady, 2013, p.81). This explains a natural human reaction to change, indicating that employees do not actively resist a change as much as they want to avoid the feelings of loss associated with transition (Harvey, 1999). When organizations begin change initiatives, a lack of stability is created throughout the organization, resulting in certain symptoms that decrease organizational effectiveness and productivity. Grady and Grady (2013) developed a model of Organizational Loss of Effectiveness (LOE) depicting

the individual symptoms that surface when organizations are faced with change and the impact those symptoms have on the organization (Table 1).

<b>Individual Symptoms</b>	<b>Organizational Equivalents</b>
Apprehension (Anxiety)	Decreased Morale
Frustration	Decreased Productivity
Retardation of Development	Decreased Motivation
Rejection of the Environment	Increased Conflict
Refusal to Participate	Increased Absenteeism
Withdrawal	Increased Turnover

*Table 1: Individual Symptoms of Loss and Their Organizational Equivalents (Grady & Grady, 2013)*

The LOE Index measures the nature and intensity of these symptoms using a 54 item survey designed to provide quantitative data to identify, monitor, and track emerging symptoms across an organization (Grady & Grady, 2013). The quantitative organizational score is determined by using the summation of averaged individual scores on each survey question. Higher scores indicate greater volatility, with 2.0 as the critical value between stability and disarray.

The LOE Index endured a rigorous validation process through 14 iterations between 2005 and 2007 (Grady, Gleckel, & Grody 2009). Content validity was established through correlation with established measures of constructs relating to anxiety, stress, frustration, depression, and employee morale and work preferences. The measure also demonstrates face validity as evidenced through the corroborations of multiple experts in the fields of organizational behavior and social psychology. Test/retest reliability during the pre-implementation stage was assessed through the Wilcoxon Signed Rank Test (Wilcoxon, 1945) in which no significant differences were found between the first and second administration of the test. Furthermore, internal consistency reliability testing revealed Chronbach’s Alphas ranging from .85 to .91.

### **Qualitative Measures**

In addition to the quantitative items, three open response qualitative questions were added to the LOE Index to provide participants with an avenue to address specific concerns for GO:

- What is working well in GO that should be kept?
- What is not working so well in GO?
- What changes would you suggest to make GO more effective?

These questions mirrored those asked during in person interviews, allowing all members to contribute their thoughts on these issues

## **Results**

### **Quantitative Results**

Interpretation of LOE Index® scores are outlined in Table 2.

Index Score	Meaning
=1	Indicates the organization is functioning in a stable environment
1 to 2	Indicates the organization is functioning in a relatively stable environment, however management should be aware of the potential for volatility
> 2 to 3	Indicates that the organization is experiencing volatility and management attention is required
>3 to 4	Indicates that the organization is relatively unstable, heightened management intervention is required
>4 to 5	Indicates that the organization is very unstable and absolute intervention is required

Table 2: Interpretation of LOE Index® scores (Grady & Grady, 2013)

Table 3 shows the distribution of the scores for each symptom and the average baseline LOE Index for GO. While a baseline score of 1.98 is still within the normal range (i.e., 1.5 to 2.0) of scores; it is on the verge of volatility (2.0+). According to Grady and Grady (2013), this indicates that GO leadership should be attentive to the impact of current and future change initiatives with regard to the performance of the organization, and that quick action is necessary to prevent losing organizational effectiveness.

Table 3

	Gc/Cc	An/Mr	Fr/Lp	Rd/Mv	Re/Cf	Rp/Ab	Wd/To	AVG
<b>OVERALL AVG.</b>	<b>1.85</b>	<b>2.23</b>	<b>2.12</b>	<b>2.02</b>	<b>1.95</b>	<b>1.73</b>	<b>1.94</b>	<b>1.98</b>

**Legend:**

Gc/Cc = Global predisposition toward change within the organizational environment

Fr/Lp = Frustration/Loss of Productivity

Rd/Mv = Retardation of Development/Motivation

Re/Cf = Rejection of the Environment/Conflict

Rp/Ab = Refusal to Participate/Absenteeism

Wd/To = Withdrawal/Turnover

Table 3: GO's overall average LOE Index® score for each symptom.

The LOE subscales indicating the highest volatility (above 2.0 and highlighted in red) were anxiety, frustration, and retardation of development, with anxiety being the highest. Many areas scored close to being considered volatile. This is a critical time to be taking action to alleviate current concerns and prevent additional adverse outcomes.

**Anxiety and Morale**

Organizational anxiety is characterized by signs of tension and is typically in reaction to some stressor. If left unaddressed, anxiety may lead to a reduction in morale (Grady & Grady, 2013). Anxiety earned the highest overall average score of 2.23 in this sample, with scores ranging from 1.00 to 3.56. It is noteworthy that the anxiety average score is higher than the global average.

### **Frustration and Loss of Productivity**

Individuals become frustrated when they are prevented from doing or achieving something, resulting in loss of interest, increased irritability, and reduced productivity (Grady & Grady, 2013). Frustration has the second highest overall score in this sample with an average of 2.11. Scores ranged from 1.00 to 3.17.

### **Retardation of Development and Motivation**

Organizational change can be a threat to competence, relatedness, and autonomy. Individual retardation of development can lead to a lack of motivation, causing delayed adherence to the change initiative, and affecting employees' skills advancement (Grady & Grady, 2013). The overall average score for Retardation of Development was 2.02, which is the third highest among all symptoms.

### **Rejection of the Environment and Conflict**

Rejection of the Environment is usually the result of individuals' concern with the new change initiative affecting their work environment, which they perceive as being forced upon them. This conflict is the mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands (Grady & Grady, 2013). According to the data, the overall average score of Rejection of the Environment is 1.96, indicating a current environment with potential volatility, and close enough to 2.0 that it requires increased management attention.

### **Refusal to Participate**

Absenteeism stems from two places: a change in job satisfaction, and dysfunctional relations between employee and employer (Grady & Grady, 2013). The LOE score for Refusal to Participate was the lowest of the six, but it is still approaching 2.0 with a score of 1.73.

### **Withdrawal and Turnover**

The overall score for Withdrawal, 1.94, approached the threshold for volatility. Detachment from the organization results in increased turnover (Grady & Grady, 2013), a source of volatility inherent in the current organizational structure.

### **Qualitative Results**

As previously indicated, interviews were conducted with key stakeholders in the organization to capture more in depth perspectives of the challenges faced by GO. This allowed researchers to gather specific information that the LOE Index did not capture. Additionally, this provided another dimension of analysis, which allowed for a more customized approach to the recommendations. Participants were asked what is going well at GO, what is not going well at GO, and what changes could be made to make GO more effective.

Participants indicated that the organization's strong cultural history, multinational representation, and international relationships are valued strengths of the organization. On the other hand, participants felt that communication issues are paramount, as well as some concerns over the organizational structure and lack of continuity within the organization. Organizational structure was identified as the element most in need of change. Stakeholders desire a stronger connection to allied and a reorganization of the current branch structures.

## Discussion

### Hofstede's Cultural Dimensions

GO is comprised of a diverse group of staff from across the globe; thus it is imperative to understand the role that national culture plays in the overall organizational system (Hofstede, 1980) especially given that there are strong correlations “between national culture dimensions and individual readiness and commitment to change” (Aldulaimi & Sailan, 2012, p. 187). Barriers of culture and language were a readily observed theme throughout the interviews and LOE Index<sup>®</sup> responses.

In addition to the LOE Index<sup>®</sup>, the researchers used Hofstede's Cultural Dimensions (1980) as a framework to analyze the qualitative data, and incorporate this theory into the discussion of results, recommendations, implementation strategy, and limitations. Hofstede's Cultural Dimensions (1980) have been further validated by other studies that have also concluded that “organizational readiness for change” is impacted by antecedent variables such as culture, and using these dimensions will aide in the organizational implementation of change initiatives. (Aldulaimi & Sailan, 2012).

The researchers are careful to note that variation exists within any country, and that these dimensions reflect the overall approach of a society and may not apply to each individual. GO member countries vary widely on some of Hofstede's (1980) cultural dimensions, such as uncertainty avoidance versus comfort with ambiguity, and individualism versus collectivism. Uncertainty avoidance examines the extent to which people in a particular culture feel threatened by ambiguous situations and create institutions (with rules and regulations) to avoid such ambiguity. This is perhaps the most significant cultural variable affecting acceptance of and openness to change, as change inevitably produces uncertainty. This is one of GO's most significant challenges. Additionally, GO member countries vary widely on the spectrum from very individualistic to collectivistic cultures. Views on loyalty to one's self and immediate family as opposed to an extended family or in group are affected by this dimension. Also worth noting is the dimension of masculine versus feminine societies, with “masculine” societies putting more emphasis on achievement and success, while “feminine” societies place more importance on quality of life.

### A Passive Aggressive Organization

When looking at GO's numerous cultural, institutional, and individual factors together, they bear the characteristics of a passive aggressive organization in which “lines of authority are unclear, merit is not rewarded, and people have learned to smile, nod, and do just enough to get by.” (Neilson, Pasternack, & Van Nuys, 2005, p. 1) Specifically, passive aggressive organizations are marked by unclear scopes of authority that lead to misunderstandings and misrepresentations regarding decision making power (Neilson et al., 2005), as well as misleading goals due to a failure to “properly align incentives and goals of the organization” (Neilson et al., 2005, p. 2). Additionally, members tend to give the impression of compliance without true agreement (Neilson et al., 2005).

### Interpretation of Quantitative and Qualitative Results

Overall, GO has struggled with its identity and purpose since its merger GO with Allied, and the prospect of change initiatives has triggered anxiety among the current members. Defining the organization's mission and purpose, and institutionalizing a 5-year strategic plan, will help guide the evolution of GO.

Organizations that are traditionally focused on command and control leadership have an expectation that there will be one clear leader producing measurable results (Laurence, 2011). The difference between a hierarchical structure and a more horizontal environment contribute to varied expectations between GO and Allied. Additionally, as a result of the tumultuous histories of many of the countries that are a part of GO, some members may be reluctant to trust and collaborate with others unless they maintain some level of control over the process. Another source of frustration reported in the qualitative responses was the short tenure of GO employees. The hiring process takes approximately four months, and the remaining tenure is often too short to make measurable progress on any projects. Reasons for perceptions of delayed development may stem from frequent changes in leadership and personnel. GO's headquarters also proved to be a source of anxiety. After its merger with Allied, GO chose to stay at its own headquarters rather than move to the headquarters of Allied. Some members of the GO are opposed to the idea of moving to Allied headquarters in fear that GO will relinquish its identity by doing so. Conversely, many GO members agree that close physical proximity is key for establishing better communication, relationships, and integration with Allied.

### Recommendations

As discussed above, the results from both the qualitative and quantitative data collection yielded consistent results. This increases the validity of the findings and certainty of the recommendations. Overlaying the results of the LOE survey (*quantitative*) and the responses from the individual interviews (*qualitative*) with key GO leadership and staff, the researchers identified the primary challenges and the direct impact on GO's organizational effectiveness. Table 4 highlights a summary of these findings. The text in red refers to the areas of highest volatility and importance

Table 4

Primary Challenge		Impact on GO
Undefined Expectations/Goals		<b>Decreased Morale</b>
Lack of visibility/ Transparency		<b>Decreased Morale</b>
Unclear Identity of GO		<b>Increased Conflict</b>
Blurred Roles/Responsibility		<b>Decreased Motivation</b>
High Bureaucracy/ Low Empowerment		<b>Decreased Motivation</b>
High Turnover Rate		<b>Increased Turnover</b>
Limited Training/ Qualifications		<b>Loss of Productivity</b>

Table 4: GO's primary challenges and the impact on the organization.

In Table 5, a set of long-term mitigation strategies were developed to directly address the areas of volatility referenced in Table 4.

Table 5

<b>Individual Symptom</b>	<b>Organizational Symptom</b>	<b>LOE Score</b>	<b>Score Meaning</b>	<b>Suggested Mitigation Strategy</b>
Anxiety	Low Morale	2.2288	Volatility; requires management attention	Increase support from Leadership/Sponsorship → <i>Create transition management team</i>
Frustration	Low Productivity	2.1176	Volatility; requires management attention	Increase education/training with the identified change → <i>Create knowledge management system</i>
Retardation of Development	Low Motivation	2.0240	Volatility; requires management attention	Integrate individual coaching → <i>Develop Human Resource (HR) support function</i>
Rejection of Environment	High Conflict	1.9542	Relatively stable environment, with potential for volatility	Improve communication → <i>Strengthen internal and external communication strategy; develop closer communication between divisions</i>
Withdrawal	High Turnover	1.9384	Relatively stable environment, with potential for volatility	Address job satisfaction and commitment → <i>Operationally define mission and purpose; define succession planning procedures</i>
Refusal to Participate	High Absenteeism	1.7255	Relatively stable environment, with potential for volatility	Increase employee engagement and support → <i>Reduce physical and emotional distance between GO and Allied; use informal activities to enhance delegate relations</i>

*Table 5: Suggested Mitigation Strategies aligned to LOE symptoms and scores.*

The suggested mitigation strategies address both the individual symptom and their corresponding organizational outcome. A mitigation strategy was created for each organizational symptom and some symptoms are addressed by more than one strategy. The recommendations in Table 5 are further described below:

### **Addressing Low Morale: Creation of a Transition Management Team**

To increase commitment and morale, employees must be involved in the decision-making and change process (Nongo & Ikyanyon, 2012). Step two of John Kotter's eight steps to transforming an organization requires forming a powerful guiding coalition with enough clout to lead a successful change effort (Kotter, 1995). A newly created Transition Management Team (TMT) (Duck, 1993) at GO should study the recommendations presented herein and make decisions on how to move forward. This key team should include representatives from all divisions within GO as well as representatives from Allied, all of whom have diverse opinions and the power to implement the new changes, address improvements in communication, and increase leadership support. This group will exist outside of the current hierarchy, will help to implement the workforce and structural analysis discussed earlier, and must work to "align key dimensions of the change process and dedicate resources to provide ongoing support for the change process" (Orlikowski & Hofman, 1997, p.18). Many times it can be helpful to use an external independent facilitator to assist in this effort. Third-party facilitators bring an outside perspective from other organizations and can assist with moderating discussions while ensuring full participation and pushing for actionable results.

### **Addressing Low Productivity: Creation of Knowledge Management System**

Throughout the assessment, GO members indicated a lack of collaboration and communication on projects. A knowledge management system with established communities of practice (each with a different topic and members) would help members collaborate informally on projects and issues and share recent activities/accomplishments in a transparent way. Additionally, a mentorship program whereby incoming representatives are trained by departing members who have successfully completed their tenure would help capture and transmit knowledge to staff and create more consistency and continuity.

### **Addressing Low Motivation: Development of Human Resources (HR) Support Function**

There is a strong need for an establishment of a robust HR support system and staff, led by a mixture of employees from many nationalities who would have longer, more permanent terms. This team, along with internal communication experts, would work to develop stronger organizational alignment with the newly created mission as well as communicate new goals across the organization. The group would help review the current organizational structure and look to more clearly define the divisions and hierarchy between different positions.

This effort would involve an in-depth evaluation of the current positional and functional statements of each area within the organization by reviewing the job descriptions of each member. An effective approach would be to use competency modeling, thereby enabling the determination of the specific traits and skills that are characteristic of high performance and success in a given role. Knowing what is expected and hiring the right person for each position will help eliminate some of the frustration and uncertainty experienced by GO employees.

This HR function would also set up social activities for GO in order to help build relationships outside of formal functions. Social interactions amongst GO members will promote feelings of solidarity and trust, and increase motivation.

### **Addressing High Conflict: Strengthening Internal and External Communication Strategy**

To improve visibility and transparency, GO should develop closer communication and coordination between the leadership offices, strengthen its external communication ability,

develop a unique brand, and use a cascading strategic communications plan to inform staff (both vertically and horizontally) of activities, changes, and updates using multiple mediums and languages.

By marketing its purpose through the use of social media and a stronger web presence, GO would increase its visibility and public awareness of the organization. Many of those surveyed also spoke about using strategic branding to help others understand the value GO brings to the environment in which it operates.

The qualitative assessment showed that GO needs to match its new mission and identity to its external persona. This will help bring the organization from the past and into its recreated future. A symbolic fix- replacing the organizational name with something more widely accepted, and involving stakeholders in participative decision making will increase engagement and commitment (Gilley, Gilley, & McMillan, 2009) and may also relieve some of the cultural tensions felt within the organization.

### **Addressing High Turnover: Operationally Define Mission and Purpose; Define Succession Planning Procedures**

To clearly define its mission, GO should create and institutionalize a 5-year strategic plan to guide their evolution. The detailed and agreed-upon strategic plan should use performance measurement criteria linked to goals and objectives, and should include an agreed-upon GO vision. The strategic plan needs broad-based support of GO members, suggesting the need for a collaborative approach to its design and implementation.

To address job satisfaction and commitment and increase training, GO should consider establishing a new leadership structure that will create more consistency and continuity for members and will allow GO to align its structures with surrounding environmental conditions and organizational goals (Molly & Wren, 1998).

Our suggestions include consideration of extending terms of key positions. Whichever model is adopted, it is recommended that a new leader be elected with sufficient time to shadow the outgoing leader in a mentor-mentee role during the preceding leader's final year in office. Longer terms for key members will create less transition lag and help provide continuity towards long-term goal achievement.

To solidify these changes, GO should develop written Policies and Governance regarding staff requirements and qualifications, length of service, and develop contingency and succession planning processes to facilitate smoother staff transitions.

### **Addressing High Absenteeism: Reduce Physical and Emotional Distance Between GO and Allied**

To enhance the reputation and credibility of GO, leadership should increase visibility by providing a stronger alignment with Allied. Integration through restructuring and an enhanced partnership with the highly valued GO will allow Allied to see GO as a respected asset and dedicate the resources needed to fulfill that purpose, as well as other utilities including infrastructure, human resources, technology, and communications functions.

Reducing the physical and emotional distance of GO and Allied will allow GO to better use the services that are already in the Allied budget and having the two organizations in closer "proximity promotes readiness of communication, as a result of which individuals have an opportunity to discover each other's common attitudes" (Newcomb, 1961, p. 208), allowing GO

to be more integrated into the organizational culture of Allied, and fostering the joint creation of initiatives and projects.

To successfully implement these changes, “transitional objects” must be identified and provided for GO staff. Winnicott (1951) first introduced the transitional object concept as a means to support individuals during a transition or change (Grady & Grady, 2013). The transitional object should be tailored to the individual, and is vitally important as a defense against anxiety and withdrawal (Grady & Grady, 2013), as observed during the quantitative and qualitative analyses. Staff should be permitted to bring items and keepsakes from GO’s former headquarters to their new space. Further research has confirmed the importance of these objects and found that when cultural artifacts are utilized by top managers there is a much higher likelihood of a successful transformation (Soonsawad, 2010).

### **Implementation of Recommendations**

A continuous, customized change model is proposed to address the unique needs of GO. At the core of the model are the people, processes and tools that would fuel the cycles of continuous improvement. This is especially true with a multinational organization like GO. The steps of this change cycle should include: *Assess, Design, Implement, Manage Change, and Evaluate*. The specific recommendations for the core elements of the model as well as the steps of the change cycle are detailed below.

#### **Core Elements**

The TMT (Duck, 1993) that would drive the change will offer the hierarchical leadership which a bureaucratic culture is accustomed. The process for the change needs to include clear direction from the TMT as well as the flexibility to learn, adapt and use an improvisational approach based on lessons learned from one another (Orlikowski & Hofman, 1997).

#### **Assess**

This step includes getting the attention of the members of the organization (Neilson et al., 2005) and making them aware of the challenges at hand. This step must also include encouraging honest, engaged feedback that will give a real, authentic picture of the impact of the change and what needs to be addressed. The LOE Index provides the “as is” state and helps GO understand its current needs.

#### **Design**

A clearly defined strategic plan will aid GO in moving towards the “to be” state. Additionally, GO may benefit from bringing in “new blood,” (Neilson, Pasternack & Van Nuys, 2005) either by an internal resource or from outside support that can offer fresh insight into the design of the change. Furthermore, the plan should focus on results rather than processes as this will focus efforts and not restrict creative approaches toward realizing the goal (Schaffer & Thompson, 1992). Lastly, the design of the change should include the long-term goals and a vision that will inspire members to keep improving in the short term (Collins & Porras, 1996).

#### **Implement**

Initially, focus groups should be created to test new processes on small, achievable tasks that are clear and measurable. Moving forward, an improvisational approach to change should be used to allow exchange of knowledge and best practices. (Orlikowski & Hofman, 1997).

## **Manage Change**

The TMT will manage the overall change effort and ensure collaboration. There is a strong positive relationship between an organization that is adaptable and strong employee commitment (Nongo & Ikyanyon, 2012). The ability to manage change successfully will lead to higher commitment and less turnover within the organization.

## **Evaluate**

The final step of the continuous change cycle is to reevaluate the process and results achieved so that the leadership knows what new structures to keep and which to discard (Schaffer & Thompson, 1992). This information can then be fed into the next cycle of continuous improvement.

## **Risks of Non-Implementation**

There are risks that GO faces if they do not successfully implement these steps of the change cycle, which can also apply to other global establishments. It is important to evaluate these areas of concern in order to stress the need for GO to implement these recommendations to stay relevant and for other organizations to learn from its experiences.

## **Risk of Losing Resources**

Many issues related to culture, politics, human resources, and structure were discovered through the quantitative and qualitative analyses and all reveal one underlying theme: *GO does not have a clear identity, which has caused major barriers to their partnership with Allied.* Since the merger, the formerly independent GO has struggled to find its identity within Allied. If it cannot demonstrate its value to Allied, it may lose financial resources and compromise long-term sustainability.

## **Emotional Risks to Employees: Anaclitic Depression**

GO displays signs of anaclitic depression, which is defined as a “form of melancholia often experienced when the individuals, organizations, or belief systems that we lean on or are dependent on for emotional support are withdrawn from us” (Harvey, 1999, p. 112). GO has been leaning on their previous mission statement, which is no longer relevant. Morale and enthusiasm are low and members are experiencing anaclitic depression over the loss of GO’s mission and identity. This has created multiple opposing agendas as individuals attempt to deal with the loss in their own way.

Some individuals, unsympathetic to the feelings of loss experienced by others, want to eliminate previous identifiers, such as GO’s headquarters, without providing sufficient time to grieve. Turnover in GO is high, which creates a lack of continuity, further preventing GO from understanding its purpose and addressing issues.

## **Power Struggle Within Organization**

Goss, Pascale, and Athos (1998) claimed that perceiving without discussing is far more harmful to an organization than a threat that is stated. GO has continually put ‘Band-Aids®’ on issues instead of addressing the deeper causes. GO’s leadership is at odds with one another rather than coming together as allies, severely impeding progress. This passive aggressive struggle for

control prevents them from overtly addressing their individual issues. These power struggles must be addressed and resolved in order for GO to act as one and move forward.

### **Purpose “Clearly Defined”**

The lack of a shared vision, clearly defined roles, and super-ordinate goals has caused GO members to operate with the mentality of “every member for itself.” Brown and Wade (1987) found that role ambiguity decreases harmony between group members when a task is salient. GO is struggling with task salience, and the lack of defined roles within leadership positions creates a chaotic environment. GO’s mission cannot be refined unless the leadership is willing to work together to agree on specific goals. A sense of urgency needs to be created within GO for members to understand that if they want to save their organization, the status quo must be disrupted.

GO must also realize that their funding is at risk if they continue to operate without a plan. Without a plan, they lack an identifiable product, and without a definitive product, no member country is going to provide funding.

### **Limitations**

Although the survey response rate was comparable to most organizational surveys, there may have been hesitation from some members to participate for political reasons. Even though surveyed anonymously, social desirability and confirmation biases are typically present in some capacity when collecting survey data of organizations. Lastly, the cross-sectional design of this study does not allow the researchers to observe phenomena as they develop. A longitudinal design where constructs are measured at different points in time would yield more valuable data with regard to the development of symptoms. The researchers recommend resurveying the staff after the change process has had time to evolve.

### **Conclusion**

It is important to underscore GO’s unique purpose and identity while fostering integration and unification with Allied. As indicated by Duck (1993), achieving a critical balance during change requires creating the right organizational context, managing emotional connections, and holistically integrating these dynamic components. GO needs to develop and communicate its vision and identity while aligning it with the overall goals, mission, and structure of Allied. Integration with Allied will not only improve communication and interrelationships between the two organizations but will also ameliorate the financial constraints experienced by both entities in funding GO.

By culturally, psychologically, and physically integrating with Allied, GO can benefit from its existing infrastructure, human resource functions, technology services, and public relations. Given the upcoming changes in leadership and disruption that it and the integration will inevitably bring, it is critical for the TMT to deliver culturally competent, inclusive, and tailored support to members of GO. Doing so will not only benefit the organizational system but the larger collective that it serves.

We expect that this analysis and its recommendations will assist GO in its continuing change initiatives. The customized change strategy, rooted in the work of many established theorists, enables the implementation method to be tailored to the unique global environment of GO. There are many risks associated with non-implementation, especially in today’s constantly changing global environment. Without a customizable and continuous change approach, it is

likely that the change initiative will fail. Furthermore, these findings pose key implications for other multinational organizations to consider as they craft tailored change management plans to help ease the organization through times of uncertainty.

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