REVERSING THE TIDE OF ORGANIZATIONAL ACQUISITION FAILURES THAT STEM FROM THE CLASH BETWEEN DIFFERING CULTURES

By

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ABSTRACT

This study seeks to discover what actions would be helpful in reversing the tide of organizational acquisition failures that stem from the clash of different organizational cultures. It uses as its focus the experiences of employees at Sterling Pulp Chemicals (Sask.) Ltd. in Saskatoon, Saskatchewan, Canada. Fundamental in identifying the research methodology for this study was understanding that any actual or perceived clash between organizational cultures is as much subjective as objective; individual's reactions to their own or the groups perceptions as it is about actual changes in the work environment.

In studying the Saskatoon example, data was accumulated from confidential interviews, which later supported the development of a survey that was circulated to the employees. This researcher endeavoured to separate the unique context of a specific culture and portray how it influences and affects its members.

ACKNOWLEDGEMENTS

CHAPTER ONE

INTRODUCTION

A.   Objective of the Research

Carleton (1997) commented how organizations dedicate a great deal of resources to assessing the physical assets, customer markets, labour relations, environmental considerations and potential liabilities when looking at a potential acquisition. The majority of acquisitions fail to thrive because management does not pay attention to critical organizational integration issues. (Financial Post, 1999; Holbeche, 1998) In the United States there were fifty percent more mergers in 1998 than in 1997 and less than half of them added value in the mid term of the transition. (The Economist (US), 1999.) If the acquisition of the two organizations results in a clash between the two cultures, such collisions can lead to quarrels, disruption, anger, frustration and potential disaster. (Carleton, 1997)

Bourantas and Nicandrou (1998) felt that employee behaviour in a post-acquisition environment is a function of four parameters, loyalty, voice, compliance and neglect. These parameters will influence the degrees of positive and negative view of the acquisition and determine the employee's productivity. Culture clash is not about low performance that is endemic to the operation or the culture of either organization. It initially gives the appearance of something that is purely stimulus driven, but later proves to have many connections and complications associated with it. When the reaction is intense and emotional, the outcomes can vary significantly, needless to say that people and organizations can be put at risk. Possessing a deeper understanding of the powerful irrational processes that can manifest and lead to the failure of what should be a mutually beneficial and

complementary relationship may assist employees in leadership positions to develop an increased capacity to successfully lead the company through potential highly disruptive situations. (Gould et al, 1999.)

The following categories identify some of the many risks the organization and its members are exposed to as the clash intensifies. The suffering of consequences in any of these items only serves to increase and further intensify the severity of the clash. One cannot look at each as an individual and isolated occurrence. Systemic thinking points out that our interconnectedness supports a self reinforcing loop as it serves to broaden the affect and the potential to create another. (Senge, 1990)

A.1 Employee Relations and the Lasting Effect

By possessing a deeper understanding of the employee experience during the transition, the new company could adopt and create a more human implementation plan that could minimize employee frustration and anxiety, leading to additional benefits. Failure to appreciate the issues and identify responsive actions can result in a number of the following outcomes:

1. Physical absenteeism can be expected to increase along with the increase of stress and dissatisfaction.
2. Employee attrition is a natural outcome as some dissatisfied employees seek employment elsewhere.
3. The workplace safety record may suffer as on the job injuries can be expected to increase.
4. Negative stresses in the workplace often spill over to home life, which results in a number of family related issues that will inevitably interfere with employee performance at the workplace.
5. Cultural misunderstandings will deepen, making it a more difficult position to recover from.

6. The strained relationship between the company and workers inevitably translates to strained relationship between the workers and supervisory or management employees as conflicts tends to take on a personal flavour with time. Such relationship damage is very difficult to recover from.

A.2   Success or Failure of the Organization

Sustained conflict will likely begin to affect financial returns of the company. The impact can vary for numerous reasons, but suffice to say the company will not achieve it's greatest potential as long as the animosity remains. Some potential outcomes of the conflict are:

1. Failing to understand and respect the significance of the two organizations cultural differences will cause the owners to continue implementing changes that exacerbate the situation.
2. Difficulties with the transition can be expected to negatively influence the organization's performance, thereby undermining the confidence of investors.
3. Total failure of the company is possible as a result of the conflict and disruption attributable to the culture clash.

If the acquiring companies fully appreciated the severity of the impact on the business it would be difficult to imagine that the leaders would not give culture the advance attention it deserves.

B.   The Problem / Opportunity

What lessons can be learned and what actions need to be taken to reverse the tide of organizational acquisition failures that stem from the clash of differing cultures? This is the question the researcher sought to clarify, based on the employee experiences at Sterling Pulp Chemicals (Sask.) Ltd. in Saskatoon, Saskatchewan, Canada.

Mergers and acquisitions have become a common occurrence as organizations position themselves to meet the competition in this global economic environment. At a community, national and international level we are seeing this experience repeat itself often.

To stay competitive organizations look at growth opportunities for position strengthening in their respective market sector. Supported by a recent business assessment, ironically the benefits identified for taking such action are often not realized, but rather, the growth has contributed to a decline in organizational performance. (Price Waterhouse Cooper, presentation on high performing strategic alliances, 1999) Like many other companies, Sterling was also looking for competitive advantages and access to additional product markets when they purchased the Saskatoon workplace. As the cultures of the two organizations face off, resistance grows within and conflict escalates, leading to a worsening of the detrimental affect. Such culturally induced difficulties could magnify in size until they reach a point of major disruption or ultimately failure of the business. Numerous studies indicate that between fifty-five and seventy-seven percent fail in their intended purpose. One most recent study identified culture clash second only to leadership as the reason such organizational alliances fail. (Carleton, 1997)

The effectiveness of the management team, line managers, supervisors, and shop-floor workers can be seriously eroded as a result of the conflict. The systemic rippling and damage to the organization and its human relationships manifests itself in several ways. (Oshry, 1995) The frustration and resentment may indeed be felt toward the new company; however, it also reduces the effectiveness of the leaders who have to deal with the issues that arise at that location.

In studying the Saskatoon example, data was accumulated from the organization's employees who were willing to share what they experienced when the company went through the acquisition. The research design, method, approach and purpose are designed to give voice to these experiences; thereby transferring a greater understanding to this workplace and possibly identifying further initiatives to improve the situation. This knowledge may also be useful for others to consider and reflect upon as they anticipate or approach acquisitions and mergers within their organizations. By making meaning we create knowledge for the organization to act upon. From understanding comes change.

CHAPTER TWO

LITERATURE REVIEW

A.   Organizational History and Document Review

A.1   Introduction

To clearly understand the situation at the time of the acquisition we must step back to 1997, immediately before the acquisition event in July of that year. Both companies had enjoyed continued physical growth and increased prosperity over the previous several years. Market conditions for the products manufactured by both organizations were excellent as sales followed the high profits generated by their respective customers in those respective marketplaces.

The Saskatoon plant is a relatively small chemical manufacturing company that was owned by Weyerhaeuser Canada Ltd., a subsidiary of the larger Weyerhaeuser organization that is a major player in the world pulp, paper and wood products manufacturing sector. The chemical business was not considered part of the core business of wood products, which increased the probability of its not remaining within the fold over the long term. This was common knowledge within the organization; nevertheless, employees were still somewhat shocked and disappointed when first notified of the potential sale to Sterling Chemicals Inc. in December of 1996.

Similarly, the experience of the Saskatoon plant mirrors that of Sterling Pulp Chemicals, in that they were also divested in 1992 when strategic direction of their parent company identified the intention to sell non-core assets. Rather

than serve as a common bond, this historical similarity appears to offer little if any assistance toward the successful unification of the two companies.

A.2   History of the New Owner

The researcher felt it would be helpful to provide a brief introductory commentary on the new owners of the chemical operation in Saskatoon. Mr. Alain Lahaie, who was the Manager of Employee Development and Support for Sterling Pulp Chemicals, Ltd. in Toronto at the time, provided this description of the company and historical information.

'The company has aggressive growth objectives in the commodity chemicals business that will be achieved predominantly from acquisitions. Combined annual revenues totaled near 1 billion American dollars and the company employed approximately 1400 employees at the time of the acquisition, predominantly at the petrochemical manufacturing operation in Texas City, Texas. The head office is located in Houston, Texas.

The chemical plant in Saskatoon was one of its two most recent acquisitions, and joined a group of six chemical manufacturing locations situated across North America. A more recent restructuring decision has since divided the company into two primary focus business units, the Water Treatment Business Unit and the Pulp and Paper Chemicals Business Unit. The two units are distinct and recognizable by their products and customers.

Growth ambitions have been cooled by the economic downturn in Asia in the last few years, thereby reducing the market demand significantly. Information sharing sessions with the employees have pointed out the consequential drop to an already depressed market price and the extending of these difficult market conditions. The water treatment business is currently

focused on product development in anticipation of a significant market opportunity in the near future.

The pulp and paper business provides bleaching and pulping chemicals, and knowledge in the form of new technology and operational expertise to their pulp and paper-manufacturing customers. The product and technology is mature from a marketing life cycle perspective, and although it is considered stable for the immediate future, it is not considered an area of significant growth in the North American marketplace during the next decade.

A.3 History of the Research Organization

A.3a Introduction

The history of the Saskatoon organization is well documented. The manufacturing site is located at the northern edge of the city of Saskatoon in central Saskatchewan, Canada. The company has a work force of one hundred and twenty employees distributed through three distinct manufacturing product streams and their supporting departments. The products serve a multitude of customers; however, the primary industries served would be in pulp and paper manufacturing, the oil and gas sector and water treatment. The product lines complement the strengths and weaknesses of each other to create a synergistic, but mutually dependent system.

A.3b Expansions and Changing Ownership

Saskatoon Chemicals has undergone numerous expansions and product diversification over the years, as well as the changes in ownership along the way (Figure 2.1). Many of these changes were not driven simply by another market opportunity. Rather, they were the outcome of a creative and forward-looking vision toward leading edge environmental performance improvements and anticipation of market place concerns for certain products.

The changes in ownership until the purchase by Sterling in 1997 are shown on the lower horizontal axis of the figure. Increased production levels associated with those expansions are shown on the vertical axis. The employees and the organization together have demonstrated the ability to be responsive and adaptable over the years.

Figure 2.1

History of the Saskatoon Chemical Plant Growth
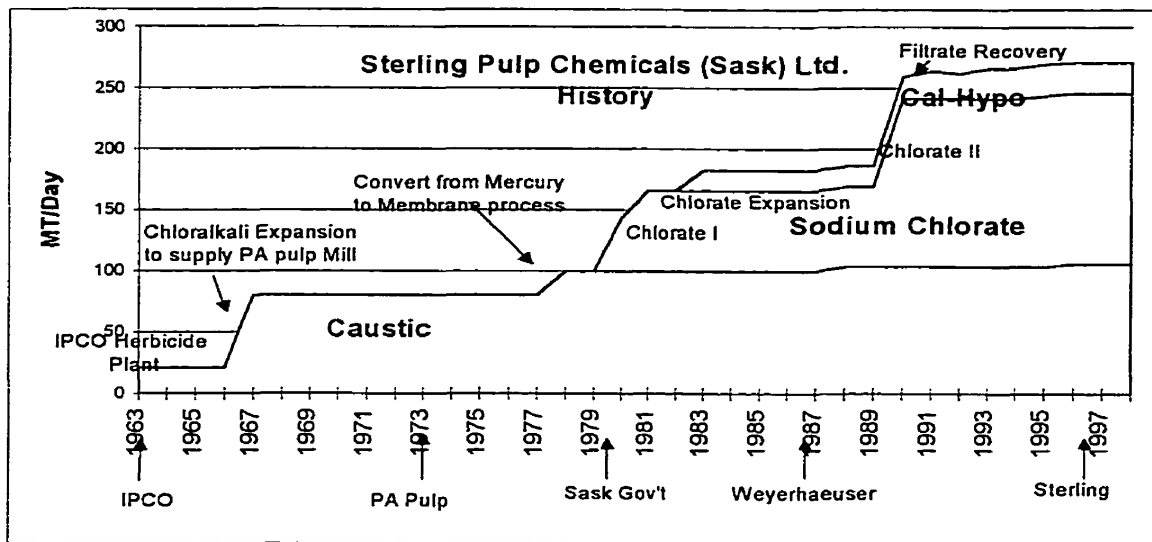
(Use by permission from Sterling Pulp Chemicals (Sask) Ltd.)

As a relatively small producer, the company has historically concentrated sales efforts in a regional market, although that changed with the advent of the calcium hypochlorite plant expansion. The company suffers a disadvantage in economy of scale in production relative to others in the region, and has leveraged product quality, reliability and customer service to attain a high level of customer satisfaction.

A.3c Jointly Supported Change Process

Years of bitter and hostile labour relations culminated in unionized employees taking strike action against the company in 1989. The workplace and employees were suffering from the effects of extremely low employee morale. Grievance activity was at an all time high between 1987 and 1989, costing the company two hundred and five thousand dollars in labour arbitration legal fees alone over that period. Company managers reported to the researcher that absenteeism at the time was very high, although official records are no longer available to substantiate that claim. Company documents again substantiated 1987 to 1989 as dark years for employee safety, again indicative of internal labour strife. During that time, employee injury rates rose to an all time high of sixteen in 1988, surpassing the previous high of thirteen in 1987. Following a post-strike cooling period, the union and company recognized a need to work together and change how they conducted business.

An organizational change consultant was hired to facilitate the early steps of the change process, the first step of which was relationship building between the union and the company. At a meeting of the Standing Committee, the consultant introduced a model for working together and resolving differences that was based on openness and understanding, and which would eventually create trust. As a result, the groups were able to displace the previous adversarial relationship with one of open and trusting dialogue, focused on items that were mutually "good for the business and good for the employees".

The process also helped to clear up a number of outstanding issues that had plagued management / union relations for years. The organization created another joint (union and management) committee

structure, which made many of the decisions related to the day to day activities in the workplace and the administration of the collective agreement. The journey continued in 1994 when the parties agreed to a joint exercise of work systems redesign. In my opinion, the level of employee involvement in this activity was extraordinary. Most decisions were made by consensus, and followed a principle-driven approach that had been jointly developed. In the winter of 1997, the redesign was complete and employees were engrossed with the task of planning the implementation of the exercise outputs.

A.3d Developing a Vision and Values

The Standing Committee was an agreed forum where the two parties would meet and build a working relationship. The Saskatoon plant's vision and values were developed jointly as products of an open and trusting relationship. With time, the trust level between the parties increased, the relationship improved significantly and the committee evolved to become a working committee that discussed significant issues and strategic initiatives.

The following documents are provided in support of the historical information account of the Saskatoon organization:

1. Appendix A: Saskatoon Chemicals Limited jointly developed company vision
2. Appendix B: Saskatoon Chemicals Limited jointly developed company values
3. Appendix C: Saskatoon Chemicals Limited jointly developed people principles
4. Appendix D: Saskatoon Chemicals' Organizational Structure
5. Appendix E: History of Safety and Grievance Activity

A.4 Conclusion

Both companies have demonstrated extraordinary abilities to adapt to significant changes in the past. Despite this background of adaptation and innovation, the acquisition of the Saskatoon organization by Sterling Chemicals Inc. has presented significant challenges to Sterling.

B. The Ethos of an Organization – Culture, Systems, Leadership and Leading Change

B.1 Introduction

Understanding the ethos of an organization requires an exploration of the fundamental elements that are influential and supportive in developing organizational potential. Leadership, culture and systems are not mutually exclusive concepts that independently feed a single isolated aspect of the organization. They are critical areas that are continuously interconnecting and together construct a significant portion of the organization's functionality.

This literature review will reveal the thoughts of others that have explored those elements in some depth, thus contributing to the researcher's knowledge base before conducting this research project.

B.2 Organizational Culture

The complexity of culture is best conceptualized if a number of the major elements that define culture are identified. Culture is; 1) learned; 2) composed of various facets; and 3) shared. That is to say we are not born with culture, we are born into it. The various facets are so interrelated that it is impossible to change one without affecting the others. Moreover, it is a

shared experience for a collective of people. (Schermerhorn et al, 1992) These elements together allow organizational culture to be defined as:

> "...a defined set of meanings and perceptions that are created and learned by organizational members in the course of interactions." (Martin et al, 1983, p.438)

When an organization undergoes a change in ownership, it is neither unusual nor unexpected that employees of the acquired business sense a threat to their employment. Employees may also sense a threat to the culture of the organization in which they have worked and that was created with the former management. In a manufacturing setting like General Motors for example, an assembly line that once employed one hundred employees has now been reduced to one hundred robots. (MacIntosh et al, 1998)

> "Most companies now realize that they must radically change in order to compete effectively in the new knowledge-based global economy. Simply put, the rules have changed." (MacIntosh et al, 1998, p.1-11)

The combined effect of these two uncertainties, loss of employment and cultural change, may cause employees to react in a manner that cannot be attributed to either concern in isolation from the other. The uncertainty that surrounds an acquisition is often a frightening experience for the members of the organization. (Marks and Marvis, 1985) This reference will be used further to support a research conclusion in the final chapter. Fear, driven by the unknown and the employee's lack of ability to control the outcome could have a particularly numbing affect on the organization in general. Yukl (1998) states that a loss of cultural stability may lead to unusual employee behaviours as they struggle to understand a new environment:

"A major function of culture is to help us understand the environment and determine how to respond to it, thereby reducing anxiety, uncertainty and confusion." (Yukl, p.330)

An organizational sociologist studies the organization itself as the unit of analysis, whereas the economist generally attempts to understand behaviour as it relates to the whole, or a component of a large class, and the psychologist is more concerned with the individual and small groups. In consideration of these analytical focuses, Cray and Mallory (1998) suggest that a culture cannot be fully understood by looking at any one dimension, but rather by attempting to understand the multiple layers of influence. As shown in Figure 2.2, there are levels of cognition that at least to some extent are shared. In the view of the authors, the existence of organizational culture does not presuppose organizational values, much less clarify the strength of their shared perceptions.

Figure 2.2

The Cognitive Model
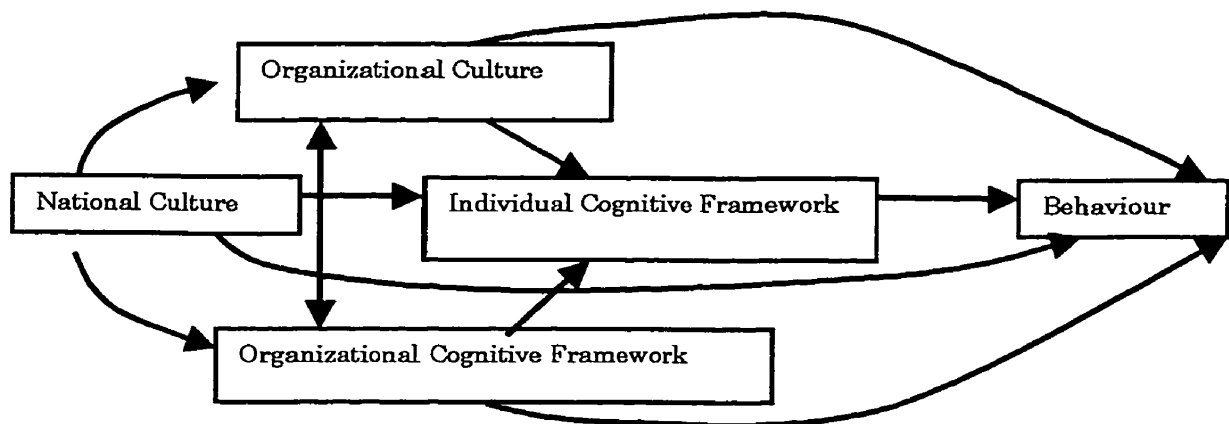
(Graphic reproduction from Cray and Mallory, 1998, p.106)

Kouzes and Posner (1995) state that shared values are the foundation of both the individual and the organization's vitality, which in turn is the bedrock of an organization's culture. Schein (1992) refers to organizational values as the reason that members of organizations, as individuals and as a collective, do what they are doing. What initially appears to be an opposing view, is the suggestion by Cray and Mallory (1998) that the relationship between values and behaviour is very weak. Their proposition that value-based predictability becomes very inaccurate was founded on a study of large populations with generalized tendencies. In this case the smaller size of the Saskatoon organization does not lend itself to the same proposition. Cray and Mallory may still be in conflict with Kouzes and Posner and Schein when discussing larger populations.

Some observable aspects of culture include the stories, rites, rituals, and symbols shared by organizational members (Yukl, 1998). The shared meanings and understandings in a strong culture guide us to act or respond in a certain way to various circumstances. The same rules and roles similarly define behavioural responses that are more consistent. The pressure for conformity within a small community or organization is much stronger than would be expected in a larger city or organization, where cultural diversity would offer greater opportunity for autonomy. This is not necessarily good or bad, as there is obvious value when smaller communities or organizations pull together, provided they do not fall into groupthink. Groupthink is the tendency of members in highly cohesive groups to lose their critical evaluative capabilities.

Edgar Schein (1992) wrote that a significant issue faced in the broader cultural arena is our unwillingness to confront culturally based differences, and thereby create impressions and beliefs regarding the practice without truly understanding the nature of the difference. We tend to tolerate those

differences, rather than really accepting them, and friction builds over time. The author suggests that the poor performance results achieved in many mergers and acquisitions can be explained by the failure to understand the depth of cultural misunderstanding between the old and the new. Schein's comment on cultural conflict avoidance will be referenced in the final chapter of this study.

Goffee and Jones (1998) identified and categorized distinct, prevalent characteristics that separate organizational cultures from each other. An organization, however, may demonstrate traits that fall into line with more than one cultural category, making categorization difficult, but not impossible. The notion of good culture – bad culture is dispelled by the two authors and replaced with the suggestion that a culture is bad only if it does not fit the environment in which the organization competes. A poor fit leads to poor performance. Rather than being viewed as good or bad, Goffee and Jones (1998) suggest cultures should be viewed as functional or dysfunctional.

David Hanna (1988) was emphatic about the need to lead culture change. Agreement on what the new culture should look like does not ensure that the culture will end up looking that way. Behaviours will need to change. Likely, some incorrect assumptions were made during the redesign process, and the level of "commitment" to the new way of working together is untested. Short-term success with change initiatives does not guarantee their sustained success. Hanna noted that backsliding to old practices would be unlikely if: the leadership were strong and committed to the vision; necessary skills and values were broadly distributed among those involved; the organization's management is principle-based; and environmental support is encouraged through skillful and sensitive interactions.

Kouzes and Posner (1995) further emphasize the importance of organizational vision to the culture and links that importance to the leadership's obligation to meet the need.

"The most important role of visions in organizational life is to give focus to human energy. Visions are like lenses that focus unrefracted rays of light. To enable everyone concerned with an enterprise to see more clearly what's ahead of them, leaders must have and convey a focus." (Kouzes and Posner, p.109)

Goffee and Jones (1998) offer an analogy that describes the significance a culture has in an organization, and how that culture remains in the background or behind the scenes, not easily seen or understood by others.

"Most people, however, be they anthropologists or not, know that organizational culture surrounds us. It undergirds us; it supports us – like the infrastructure of a building. Once the building is erected, you cannot see its posts, beams, and steel ties, but the building would collapse without them." (Goffee and Jones, p.221)

As mentioned earlier, the leadership of companies now more and more understands the competitive reality of the global marketplace. Acquisitions are actions taken by organizations seeking to become more competitive and ultimately support the long-term survival of the company. The research conducted within the study at the Saskatoon workplace does support the notion that most employees do have an appreciation of the difficulties an organization can face to remain competitive. Nevertheless, a confrontation often emerges. The acquiring company is left believing that the employees are being unreasonably difficult and are acting in a manner that could be described as sabotage. (Love and Gibson, 1999) The authors stated that

developing a deeper understanding of the situation would likely reveal a series of initially unrecognized issues which, if left unaddressed, would fester into hostilities and deep mistrust. They commented that while organizations may use words that seem to be the same, the meaning attached to those words can be considerably different. An initial review of the information may leave employees with the understanding that they do have a common value system with the new organization, which may not be the situation at all. Understanding culture requires more than a subjective "gut feel" arrived at by walking around the organization. Clemente and Greenspan (1999) pointed out the need to formally collect organizational data to assess and compare the differences between the two companies.

In reviewing the literature, it would appear that cultural change is built from the ground up. It does not happen simply because the economic environment dictates the need for change. It would appear that an organization's culture is more difficult to articulate accurately as it becomes more collective. If culture were indeed the soul of an organization, it would seem reasonable to suggest that the cultural identity or makeup of the branch office or separate workplace location will run deeper and be different than that of the corporate culture in many ways. It would, therefore, have a unique soul of its own, based on historical experiences, values and beliefs held by the workers, and eventually define the way things were done in the workplace.

B.3 Leadership and Leading Change

Change threatens culture. Achieving change will require behavioural changes in how employees go about their work: deep-rooted changes that create a new focus that the leadership of the company now desires. Leaders need to understand the difficulties they will face when wrestling with the old culture and implementing a new. Providing support to, and reducing the threatening nature of change for employees, will aid in the transition.

Failure to consider and implement actions to address these needs can cause the effects of proposed changes to be neutralized by the old culture. Little is clear or concrete when it comes to cultural change. The transformation is not guaranteed. Despite an understanding of some actions that can improve the odds, transformation is still thought to be somewhat of a "black art". (Deal and Kennedy, 1982)

What is leadership? Libraries are full of exhaustive volumes that represent the thoughts, observations and conclusions from students of the subject. With all this attention, one might expect that some prevailing theory would be embraced with a high degree of acceptance, despite the lack of conclusiveness. Yukl (1998) reviewed several definitions of leadership and came forward with his own concepts on the subject. Scholars might debate the following quotes, but they do represent some consolidation of thought in the area.

> "Influence is the essence of leadership." (Yukl, p.497)
> "Most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over another to guide, structure, and facilitate activities and relationships in a group or organization." (Yukl, p.3)

Technological change, international economic integration, maturation of markets in developed countries and more countries linked to the capitalist system with the fall of communist and social regimes are leading organizations in a dizzying spiral of workplace change. (Kotter, 1996) Such a rapid rate of change increases demands on an organization. The need for a fluid and responsive organization unbound by bureaucracy and rigid procedures is obvious. The effort required to assess and implement a unique plan for individuals within the organization and also satisfy the fluctuating

organizational needs and concerns is very demanding of a leader. With the workplace a hectic and complex place, a leader must have a thorough understanding of the response with a high probability of achieving success. We must imagine leadership and an organization that can meet the challenge of fast paced change in this unprecedented period of our history. Change is the challenge.

Covey (1989) speaks to the importance of first understanding before being understood. Extending that concept to leadership would suggest the following: it is necessary to understand the people in the situation in order to understand which traits and behaviours are likely to effect the desired change.

Kouzes and Posner (1995) identified five leadership qualities that determined an employee's respect and admiration for a leader. In order of importance, they are: honesty, forward-looking, inspiring, competent, and fair-minded. Similarly, according to Covey (1989), the degree to which leaders are effective will depend upon how they are viewed to be fulfilling the fundamental principles on demonstrating character-based leadership (honesty, integrity, patience, nurturing). Covey felt that above all, the integrity of the leader must never be in question, for if there is doubt, all credibility is lost.

Yukl (1998) commented on transformational leadership as the effect a leader has on his / her followers. To be successful, followers, or in this case employees, must feel trust, admiration, loyalty, and respect toward the leader. Yukl further commented that a result of this style of leadership is that employees activate higher-order needs, becoming more aware of the importance of outcomes and transcending self-interest for the benefit of all. On the other hand, Yukl also stressed that the presence of similarities will not eliminate the potential for significant differences. Employees may

identify with the leader, but they are seldom motivated to transcend self-interest for the benefit of some abstract cause.

Locke (1991) focused much of his effort on what he described as the "characteristics" of a successful leader. He commented that a number of motives could be generalized as key to the make-up of a good leader. One motive is that a good leader will derive great satisfaction from successfully surmounting challenges. A second and closely related motive is the common ambition to advance.

Locke considered three additional motives to be general characteristics of successful leaders. They have the energy necessary to sustain a high achievement drive, the tenacity to sustain that energy over the duration required for success, and the initiative to be proactive rather than reactive. Locke pointed out that leaders possessing these motives will independently acquire the needed skills, knowledge and abilities needed to become more effective leaders. He further identified key leadership skills and abilities as having good interpersonal (people) skills; good listening and oral communication skills; the ability to build networks; conflict-management skills; technical expertise; administrative, goal setting, problem-solving, and decision-making skills; and finally, the cognitive ability to sort through all of this information.

Helgesen (1990) suggests that women have been better conditioned to provide the leadership required by organizations entering the new millennium. She identified a number of attributes as supportive of caring, sharing advocates for an empowering company focused on the big picture. Helgesen (1995) also identified that the challenge of having front-line people accept power requires them to accept the responsibility and autonomy that is synonymous with power. The challenge facing the existing leadership is to overcome this

difficulty. Helgesen further stated that leaders may have to be downright autocratic in their insistence upon this change. These statements appear to be contradictory, however, I believe the author is emphasizing the point that leaders must be committed to creating an empowered organization, and subsequently to creating an environment that enables the transfer of power and responsibility to front line employees.

Capra (1991) linked power with responsibility, commenting that responsibility is difficult and that the more you have, the harder it becomes. As one accumulates power there are only two ways to exercise it. Choosing to cling to power would be irresponsible and corrupt, and in today's economy ineffective and inefficient. The other way would be to recognize that you have too much power and responsibility and therefore distribute it to others. The responsible person uses their power to empower others.

Stack (1992) commented that power is not static; it changes over time. The demands on leadership are ever changing and successful leaders will change the way they use their power. Starhawk (1987) proposed this concept of power: you cannot own true power; it is entrusted to you. Domination or control of others by virtue of the power vested in leadership is not power at all. It is the opposite, and comes from powerlessness.

> "Responsive leadership is the art of wielding power-within ways that foster freedom." (Starhawk, 1987, p.268)

Also on the subject of power, Max DePree (1989) stated that leaders, by virtue of their positional and personal power, have the opportunity to influence peoples' lives. Positional and personal power result from a confluence of external factors and subtle agreements that enable the leader to shape the individual's or group's course and shift its direction. DePree

further suggests that a successful leader would be most effective and able to make a difference in the lives of those who permit leaders to lead. It is a leadership responsibility to create an environment that enables employees to realize their highest potential. The author also states that "roving leadership" needs to be encouraged to allow individuals to rise to the occasion when their unique strengths and interests are well suited to the opportunity. This is an interesting concept, however, it conflicts with Helgesen's (1995) comment that links the association of responsibility and power together, unless DePree also believed that responsibility would follow those that rose to the occasion as in the case of "roving leadership"

Wheatley (1992) delivers a strong message for allowing the organization to vacillate through chaos to allow emergent leadership to surface. This suggestion supports the notion of transferring power to those best able to make the decision needed. Wheatley differs from most authors in espousing the need for non-recognized leaders within the organization, thus enabling the leader-full group to emerge as the situation demands. Wheatley states that identified leaders need to resist the conditioned response to over-control the chaos resulting and allow the situation to find its own equilibrium. By maintaining focus, rather than hands-on control, leaders create the flexibility and responsiveness that every organization seeks in today's environment.

Wheatley (1996) also points out the common need for an organization, like any living organism, to change if it hopes to survive. Change is a survival mechanism driven by hostile external forces. A solution is a temporary response to a particular set of external condition. An organization must have the continuous capacity to find what works. This theory appears to align with the practice of transformational leadership; when growth opportunities are transferred to others, a degree of chaos is created that allows emergent leadership the opportunity to practice new skills. Chaos could be viewed as a

good thing, if from out of chaos frequently came the right change and a high
degree of personal responsibility.

John Kotter (1996) identified an eight-step process that recognizes the
complicated stages people move through during a successfully led change
initiative. In summary, the steps begin with the need to establish a sense of
urgency, continue to the building of momentum that will ready the
organization for tackling the tough change problems and culminate with the
anchoring of the new behaviour in the organizational culture. Key actions
required to anchor changes in the culture of an organization, according to
Kotter, include selecting leaders who are not change-adverse and creating a
vision that represents organizational direction. A notion of particular
relevance in this research is the concept of taking action to change a culture
rather than waiting for the culture to change before taking action.

Kotter's (1999) more recent work is a coalescence of the six key ideas within
his previous works into a set of ten central, interrelated observations. These
observations reflect important changes that continue to occur within the
context in which managers work; rapidly occurring changes that demand
both incremental improvement and bigger leaps forward. We appear to be
moving beyond the industrial age and the implications are staggering.
Globalization, more change and confusion will continue. Kotter refers to
those in "managerial" roles as having a "management" and a "leadership"
part of their jobs. To illustrate, managers work "as people who develop
implementation networks both through hierarchy (management) and a
complex web of aligned relationships (leadership). Managers execute both
through controls (management) and inspiration (leadership)". (Kotter, 1999,
p. 13) Kotter clearly states that the key to successful change is aligned with
leadership and that more change demands more leadership. Leadership, in
Kotter's terms, involves the relationship and teamwork work that has proved

to be a deficiency in Sterling's management of the transition at the Saskatoon organization.

Daniel Goleman (1998) stresses that the new measure of a leader focuses on personal qualities, like initiative and empathy, adaptability and persuasiveness. In promoting this focus, he assumes that the intellectual ability and technical skills required to do the job are already present. His rationale for this concept is that those already in the field have been selected based largely on intellectual ability. The competitive advantage that really distinguishes within the field is the set of "soft skills" associated with emotional intelligence. Emotional competencies result from a combination of cognitive technical expertise and analytical reasoning with thought and feeling. Goleman pointed out that the cognitive ability to think in the "big-picture" is the cognitive ability that distinguishes between star and average performers. Goleman further states that emotional intelligence determines our potential for learning skills that are based on the five key elements of self-awareness, motivation, self-regulation, empathy, and adeptness in relationship. Moreover, these skills are essential in organizations going through the greatest changes.

Helgesen (1990) stated that values serve as a reference base when individuals apply their particular style of leadership in the organization. The author notes that leaders must remain true to themselves and resist the tendency to be co-opted by the power accorded their position.

Many authors refer to leadership as akin to mentoring or coaching individuals and the organization. Hargrove (1995) refers to the entire leadership process as one of coaching, thereby extending the concept. He suggests that coaches enable people to take effective action by matching individual strengths with appropriate challenges.

People have a deep need to add value. Hargrove points out that they need to see the value of the change they wish to implement and thereby realize a sense of accomplishment in the present or near future – not in some far off future. There appears to be a strong connection between Hargrove's "need to add value" and what Schermerhorn et al (1992) wrote about Maslow's higher order needs of self-actualization and self-esteem. Stack (1992) stated that receiving top performance from your employees requires the need to appeal to their highest level of thinking. Hargrove commented that management can avoid the team stagnation that comes from spending too much time creating elaborate plans by setting compelling, urgent, short-term goals and focusing on what can be done now. He quoted a familiar adage, "After all is said and done, a lot is said and not much is done" as common sense support for his statements. This statement is not in conflict with an earlier reference to the importance of a vision. Hargrove is cautioning against paralysis by analysis and identifying a group need to show progress in acting upon goals that support the vision.

Like Hargrove (1995), Michael Harris (1998) points out the inherent need for humans to add value by focusing individual talent where greatest value can be achieved. Alignment between this value-added process and the organizational vision and mission further capitalizes on the need to add value. Leadership in organizations must focus on continuous improvement by ensuring it is an integrated, measured understood priority where employees can contribute in the areas of greatest need. Furthermore, the organization must be aligned with both suppliers and customers. Harris points out that the power of working together – of fostering and building systems that enable teamwork – cannot be overstated.

A study conducted by Schweiger et al (1987) determined that almost all employees were concerned over the shortage of timely and accurate information. Becoming aware of this situation, successful companies develop comprehensive multi-faceted communication processes designed to use several methods to expediently and conscientiously inform employees about recent developments. Lack of understanding about organizational direction, lack of clear, timely communications and lack of linkage and reinforcement and forthright responses will cause confusion and anxiety among employees. Risberg (1997) points out that ambiguity can be created in these and other ways, and if communications had been the focus throughout the entire acquisition process, many issues would have been less severe or avoided entirely. Hence, the issue may not be with the action or direction the company has chosen if it had been well understood by the employees from the onset. Rather it is often the lack of clarity and understanding of the change that fosters the intensity of the negative reaction. Stack (1992) noted that in the absence of a clear communication process with organizational leaders, employees will fill the void with perceptions and rumours that breed fear, mistrust and unrealistic expectations, all to the detriment of the company.

Senge (1990) speaks about the creation of an environment that goes beyond the survival mentality and leads us into the greater potential of the learning organization.

"People describe their most meaningful experience when they were part of something larger than themselves, of being connected, of being generative." (Senge, p.14)

Bennis and Townsend (1995) devoted an entire chapter of their book to leading organizational transformation. Two key characteristics of such an

organization were the reduction of distinctions in rank and behaviours that were cooperative, interdependent and collaborative.

A common statement about today's environment is that the only constant is change. A further belief is that there are no natural constituents for change; everyone, at least minimally, resists the notion of change. While there may be elements of truth in these statements, greater involvement in initiating and / or directing change will tend to increase enthusiasm. When people are part of the process and accept the targets that were set, they will usually hit those targets. (Stack, 1992)

Several authors have identified characteristics and qualities needed by a successful leader. Similarly, they have identified the use of several leadership approaches or styles. Yukl (1998) stated that a transformational leader would encourage employees to support evolution, transformation and continuous improvement, thus avoiding the crisis faced by many organizations. The successful application of leadership requires an understanding of the ability to influence, and to effectively use power and control, as well as an understanding of needs of the individual and the organizational leadership. In thinking about the potential for cultural confrontation when an organization experiences an acquisition, the importance of transformational leadership and its role in achieving a successful merger are clear. Transformational leadership requires a clear vision of the organization's direction. Senge (1990) states that building a shared vision employs several learning disciplines and follows a continuum of stages over time that leads to an elevated level of individual mastery. Progressive stages of learning develop new capacities, thus enabling the advance to another distinct level in the discipline of building a shared vision. A vision provides an opportunity for organizational leadership to appeal to the hearts and imaginations of their members. The unifying effect of

developing a common vision creates an end product that appeals to the values and interests of all involved, and ensures an environment allowing the synergistic release of energy. Those who follow this vision will be more motivated, challenged, inspired and trusting.

B.4   Systems Thinking

System thinking is a more holistic understanding of how systems affect outcomes and involves different ways of describing recurring patterns of relationships and the relationship of parts to the whole and to the larger environment (is the whole greater than the sum of its parts). Not only difficult to see, but to fully understand is the effect of those systems that underlie the system that has our focus. To extend that concept further, would suggest that there is only one big system and all others are levels of sub-systems that make up the whole; comparable to a piece of fabric composed of multiple strands of material that interconnect at various points.

The work of Capra and Waddington had a more universal or global focus. Although they do not connect as directly to the workings of a small, medium or even larger organization, they do set the background or framework to develop a better understanding of a systems approach to solving problems and making sustainable change.

Waddington (1978) was a firm believer in the scientific method and the need to ask questions that would produce answers. He recognized the complexity of the current difficulties that have arisen in the emerging global culture. Referencing issues like population growth, food production, urbanization, the consumption of raw materials, pollution and war, he stressed the difficulty in making some sense of the whole situation because of the complexity of interconnected processes involved. Like Chetkow-Tanoov (1992), Waddington

spoke of open and closed systems, but added another distinction: systems can be mechanistic, adaptive or purposive, with each category having several possible subdivisions.

Mechanistic systems are those in which rules are defined and do not change even when the external circumstances change. An adaptive system has the capacity to alter internal behaviour in response to changing external circumstances. Finally, a purposive system is one in which entities can formulate purposes and are able to act toward achieving them.

The purposive system described by Waddington allows for choices. This means that the ordinary person can contribute to the creation of appropriate new goals and purpose. This system links us back to the workings of the organizational workplace. Here lies the suggested paradox, if it is for the individual we are fully convinced of the reality of free will and of creative purpose (referred to by Waddington as "spiritual powers"), then can or do societies have similar powers. Waddington states:

> "In practice both the social and the individual ends are very closely involved with one another. The action which seems most called for at a social level will demand considerable changes in personal purposes or systems of value, and again attempts to realize fully people's personal systems or value seem to demand changed social arrangements and types of behaviour." (Waddington, 1978, p.337)

Capra and Spretnak (1984) discuss the European Green political movement that is inspiring a world-wide movement. The political issues put forward by this party are not relevant to this research. However, their systems-based ideological perspective does lend itself to this literature review.

The Greens present a holistic concept, guided by a long-term vision of the future and founded on four basic principles: ecology, social responsibility, grassroots democracy, and non-violence. The movement avoids the use of the word "systems" because of the cognitive linkage to a closed system. Instead, the Greens have adopted the terminology "network" to represent a worldview more closely aligned with the multileveled order evident in nature – an order of systems within systems. In this view, therefore, economics is a living system in which human beings and social organizations interact with one another and with the surrounding ecosystems on which the human race depend. The result is a complex web of relationships in which linear models are not useful in explaining cause-and effect relationships.

Capra (1991) wrote about a new paradigm that is called holistic, ecological, or systemic, which displaces the old rationalistic Newtonian or Cartesian paradigm. In referring to an ecological view as holistic, Capra states that it looks not only at the whole, but also at how the whole is embedded into larger wholes. He has sorted this new scientific paradigm and separated it into five different elements: 1) a shift from the part to the whole, 2) a shift from structure to process, 3) a shift from objective science to epistemic science, 4) a shift from building to network as metaphor of knowledge, and 5) a shift from truth to approximate descriptions. The first two refer to our view of nature and the other three to our epistemology.

In an earlier book Capra (1982) stated that the new model of the universe that has emerged from modern physics does not mean that Newtonian physics is wrong, or conversely, that the new theory is right. Each theory is valid for certain ranges or phenomena, and new theories will be needed when the limits of each have been exhausted. Hence Capra's descriptive reference to a new paradigm, which suggests that in time, it too will be replaced when it no longer explains what is observed.

Capra (1991) extended this new thinking to concepts of power. In the old worldview of the rigid hierarchy with control of all levels vested in the upper levers, power was viewed as static. In the new world view, Capra suggests that power is dynamic; it constantly flows outward to empower others and strengthen their authority. In the systems approach, he emphasizes relationships rather than isolated entities, and perceives these relationships to be inherently dynamic.

Benyamin Chetkow-Tanoov's (1992) book on systems approaches in the social work field also offers learnings for the organization. He commented that a system "makes a mesh out of things." According to the author, a system is an entity that works from an underlying set of rules that govern its parts, and that makes up a complex and orderly whole. The author suggests that creating boundaries defines the components of a system, and determines the degree to which they interact or are isolated. Identifying the orderliness of the system parts is subjective to the analyst and not empirical fact.

Chetkow-Tanoov further defines systems as degrees of open or closed. A system is considered open if inputs from other systems in the environment have easy access to it. Conversely, if the system is closed, the passage of inputs between systems is difficult or not allowed. It is unlikely that a system involving humans is totally closed. The author asserts that using a systems approach helps to comprehend the complexity of on-going problems, thereby offering some opportunities to introduce and sustain deliberate change.

Using the basic elements of quantum physics, Margaret Wheatley (1992) supports the notion of self-organizing systems. As stated earlier, the author advocates that leaders should resist the conditioned response of fixing and

solving, and leave situations to follow their natural course. This natural course suggests that a much bigger system works to resist our attempts to exert influence to fix it. She stated that the dominant shape of an organization could be maintained if it retains clarity about its purpose and direction. Wheatley (1996) comments that trust is a critical component that must be present before a system will open up and allow people to create the relationships they need. If an organization falls short, individuals become marooned and will offer less at work and more given more willingly in other areas of their lives.

That systems can and do have tremendous effects on the degree of success we experience in our interactions with others can be difficult to understand. Barry Oshry (1995) de-mystifies personal position, participation and perceptions as pieces of the system. When systems are invisible or not considered, the focus, explanations and solutions shift to the individual personality.

Oshry noted that we do a very poor job of dividing responsibility. He proposed an end / middle / end example of this, in which a supervisor takes on too much responsibility from both his supervisor above him and the employees he supervises beneath him. In a top / bottom relational context, the client gives responsibility to the person above them, and that person accepts the responsibility. The more ideal situation for the two would be a partnership in which both accept responsibility for the life of their system.

Oshry categorized system blindness into four types: spatial, temporal, relational, and process. Spatial blindness is the ability of individuals to see their part of the system: to see how the system affects them. Individuals, however, cannot see the whole. Temporal blindness occurs when attention is focused on the present —or what is being experienced now. There is no focus

on the past that has led to the current situation. Oshry stated that individuals suffer from relational blindness because they see neither themselves nor the unconscious, unhealthy relationship dances into which they fall. The failure to see systems as wholes, or as processes of the whole struggling to survive, points to process blindness.

Clarke and Haiven (1999) conducted a study at the Saskatoon workplace location studied in this research project. They concluded that the ability to change was slowed by an accountability dilemma. This dilemma is related to the contradictory demands of union traditionalists. On one hand, they insist on involvement in activities that commonly fall into the rights of management. One the other hand, the unions refuse to accept the accountability that comes with that territory.

The authors also concluded that unions must address their inner democratic workings, because existing process limits their ability to respond to rapidly changing environments. Thus, it also limits the participation of union members in issues and change initiatives in the workplace. Both of these situations are excellent examples of the need to see the entire system as Senge (1990) pointed out.

Hanna (1988) promotes a "systems approach" when designing organizations for high performance. He speaks of all living systems as open systems, meaning that they are dependent on external environments and are open to influences and transactions with the outside world. He identified several interrelated components in a system. All living systems have a reason for existing. Systems have boundaries or borders that differentiate them from each other. Systems internally transform inputs received from the outside: for example, they use energy and materials to make products. Outputs are sent back to the external environment and the system receives feedback,

whether positive or negative. Finally, everything outside of the system's boundary is referred to as the environment (Figure 3.3). Hanna stresses the importance of understanding the interactions between the various parts. This systems approach helps to view organizations as dynamic and as a series of constantly shifting interactions.

Figure 3.3

Model of an Open System
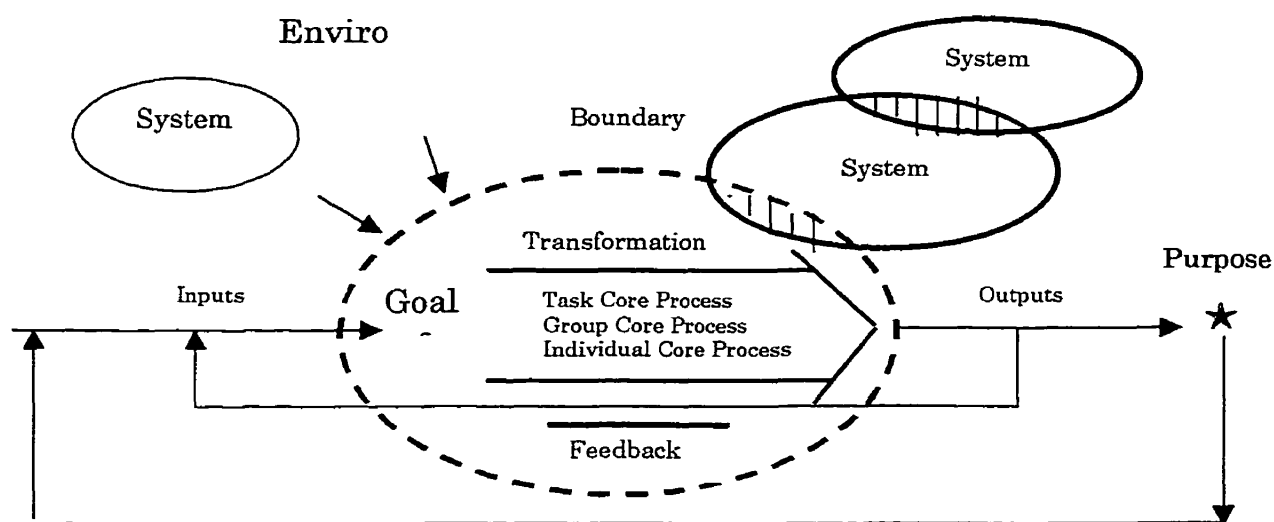
(Graphic reproduction from Hanna, 1988, p.19)

Senge (1990) emphasized the paramount importance of seeing the entire system because only then can the complexity of creating change be understood. Systems' thinking is a conceptual framework based on the clarity created by the knowledge and development of the last fifty years. Senge suggests that leaders do not teach people how to achieve their vision. Instead, they create a learning organization that fosters personal commitment to life-long learning. The more enlightened individuals become,

the greater the personal understanding and awareness of connections within the system and the impact of individuals on those systems. The paradigm shift is from seeing parts to seeing the whole, from employees who react to employees who participate. Senge's comment supports a key point in the closing Section D.3 of the final chapter.

Researchers have clearly moved away from the practice of linear linking of cause and effect. Western scientific practice has used a reductionist approach in diagnosing problems and developing fixes or cures for problems and diseases. This paradigm, has attempted to separate the whole into its various parts, isolate the problem and then develop a cure for the problem, which could mean the removal of that problematic part.

Now, however, a worldview has emerged that puts humanity at the center of a seamless web of interrelationships. Thus, past approaches are no longer sufficient. Senge offers comments that are most appropriate in closing this literature review. He (1990) stated that systems' thinking is more necessary than ever, as dynamic complexity becomes evermore overwhelming. Global warming, ozone depletion, and the drug trade are complex issues without simple, local causes and therefore without simple, local solutions. Senge believes that organizations will break down in similar ways if they are unable to connect the respective talents of their employees and their structures to support the whole.

CHAPTER THREE

PROJECT METHODOLOGY

A.   Introduction

To begin the project methodology section of the proposal it is most appropriate to remind ourselves of the question to which we strive to provide some clarity. What actions need to be taken to reverse the tide of organizational acquisition failures that stem from the clash or failure to reach mutual understanding between differing cultures? When two cultures clash they essentially pit the social realities and perceptions of one organization against that of another. Understanding the making and meaning of the societal cultural requires penetrating the experiences of its members along with the shared experience of the organizational community.

Kirby and McKenna (1989) stated that research and knowledge has historically been controlled and interpreted by those in a dominant societal position. As a result we have endured the perpetuation of the existing power structure and little has resulted in true systemic change required to correct many situations. Their premise would be to allow for and provide a research methodology to those that are experiencing the systemically enabling injustices and inequities so that they can conduct research and present findings from that context. By doing so we give voice to the majority, thus creating knowledge that will lead to change.

Stringer (1996) states that action research means employing a method of human research that investigates the local context without all of the more conventional and restrictive rules and allows the researcher and research

participants to be engaged as equals when determining the research questions. The following quote with its references to "real-life" problems and "sustainable" solutions explains the rationale for an action research methodology.

> "I present an approach to inquiry that will help practitioners to explore systematically the real-life problems they experience in their work contexts and to formulate effective and sustainable solutions that will enhance the lives of the people they serve." (Stringer, p. xviii)

In following the benefits contained in this quote from Stringer, it was my desire to engage a methodology that will reveal the experiences of organizational members as voiced through the individual.

B. Elements of the Research Methodology

B.1 Location

The entire project research was conducted on location at the Sterling Pulp Chemicals (Sask) Ltd. (Saskatoon) work site. Royal Roads University provided a form letter of agreement and the researcher secured signature approval from the project sponsor prior to beginning actual on site research. The one on one interviewing and focus group meetings were conducted in a private office and the survey questionnaire was circulated to employees and returned to the researcher at the workplace. The researcher has provided an unsigned copy of this agreement titled, "Royal Roads University / Sterling Pulp Chemicals (Sask) Ltd. Letter Of Agreement" as Appendix F.

B.2 Interviews

The researcher conducted individual interviews with ten workplace employees. The researcher selected the participants, focused on ensuring the different departments and levels within the organization were represented,

in-scope (unionized) and out of scope staff (non-union) employees. As a
result, four out of scope employees and six in scope employee were identified;
they worked in various departments and represented what could be broadly
grouped into the three levels of the organization. The researcher developed
thirteen interview questions; however, the interview questioning was a
dynamic process that was allowed to flow, heading in other directions and
opportunities for data collection as they surfaced. Mergers and acquisitions
and culture clash are about people and how they react to a changed
environment. Using this methodology the researcher was attempting to
create a better understanding of the human experience as this organizational
transition progressed. By humanizing the process (one on one interviews) the
researcher and participant were allowed to develop a rapport and comfort
that enhanced the quality of the data gathered. (Palys, 1997) Since the
project is essentially about humanizing the business of acquisitions and
mergers, the interview method was most appropriate for this research. Each
interview was audio taped and averaged approximately fifty-five minutes.
The process entailed the researcher asking the question and adding some
clarification as required, and the interviewee responding. Individual
experiences did vary considerably with some of the questions, thus the need
for a dynamic session. The methodology encouraged the researcher to
capitalize on these unique opportunities that were presented by the various
individuals being interviewed. A more detailed look at the data is presented
in a later chapter dedicated to that purpose.

B.3   Development of Themes

Upon completion of the interviews, the researcher analysed the information,
gathered and developed themes or categorical patterns. The participant
responses were aligned in a master document so that the researcher could
better analyse the diversity of responses and commonality of responses. The
resulting themes supported the development of an early stage questionnaire,

which the researcher shared with the focus group. The document was slightly altered in following the ethical considerations of the Tri-Council Policy Statement on Ethical Conduct for Research Involving Humans, however, the researcher made every attempt to ensure that the intentions of the responses were preserved. Additional discussion of the theme development is completed in a later chapter dedicated to that purpose.

B.4   Focus Group Activity

Prior to the interviews actually taking place all of those participants were also asked if they would be willing to participate in the focus group activity. Confidentiality considerations are more difficult to assure within the focus group, although confidentiality agreements were also secured for this activity. All of the interviewees volunteered so the researcher selected participants by a random draw from names in a hat. To ensure a representative split from both groups was still present, the researcher drew two names from the out of scope and three from the in scope employees. The group offered constructive criticism and input to the themes development from the interview information and assisted with the development of questions that were incorporated in the plant wide questionnaire. There were several advantages in using a focus group for this exercise. The following list of focus group benefits were identified and found to be especially valuable for this project, (D. Hamilton, course handout for MALT program, Royal Roads University, 1999):

1. Provides an opportunity for a facilitator to seek clarification of views.
2. Is extremely flexible in terms of implementation.
3. Allows a facilitator to preface the interview with a rationale for the process to clarify information provided or to engage supports from participants.
4. May be action-oriented (can provide immediate feedback).
5. Highly suitable for eliciting "off the cuff perspectives".

Meeting minutes of the three focus group activities were condensed to the after discussion key point deliveries and the researcher has provided the document titled, "Focus Group Meetings" as Appendix G.

B.5 Questionnaire

The questionnaire was separated into two question groupings; the first being a set of four quantitative questions and the second section was composed of twenty-seven qualitative questions. The twenty-seven qualitative questions consisted of five different themes, those being change, communication, culture, leadership and trust. Participation in the questionnaire was completely voluntary. The researcher felt the probability of a high return rate was increased by the inclusive nature of the research design, the inclusion of all leadership bodies at the location prior to commencing with the research, the openness of the process, and on going communication and information sharing within confidentiality guidelines, throughout the entire process.

The questionnaire was individually delivered to all employees on location along with a return envelope. There were three conveniently located questionnaire return locations provided to the employees, two of the locations were natural funnel points where employees enter the front office area and the manufacturing area, and the third was located at the researcher's office.

The questionnaire was particularly valuable as a tool to provide a degree of uniformity to the data collection. It increased the accuracy of the research outcomes, was relatively easy to administer and it gave voice to all employees at the research location who were present during the acquisition. (D. Hamilton, course handout for MALT program, Royal Roads University, 1999)

B.6 Questionnaire Analysis

The researcher purchased computer software (FileMaker-Pro5) to provide an effective questionnaire analytical tool. All data entries were first validated for accuracy before the analysis process began. Individual data was analyzed in relation to the data collected from others until categorical patterns begin to emerge. Looking for further patterns, a comparative analysis between categories was conducted and documented before forming conclusions and documenting recommendations.

B.7 Reflective Pause

A reflective moment was introduced at this stage of the research. Kirby and McKenna (1989) relate this to a four-point process of 1) stepping back, 2) reflecting on the analysis, 3) living with it for a while, and 4) rework as necessary.

C. Rationale for the Chosen Methodology

Table 3.1 supports the congruency of my chosen research methodology and the multiple factors that demonstrate it is epistemologically ethical.

Dickson and Maslak (1999) stated that action research supports the principle that we are best when we collaboratively construct the conditions that we wish to have operational in an organizational environment of human enterprise. It is consistent with the concept of formative evaluation that identifies with the evolution process of organizations as ongoing and developing toward continuous improvement. The process directs the researcher to the possibility of involving the organizational members in the research, making the project dependent and applicable to their experience, thus the organizations nature of reality. Palys (1997) commented that the design and nature of reality naturally extend to the constructionist purpose, which emphasizes that truth is the result of a perspective and that

knowledge and truth are created in our mind and not discovered as if there is only one truth to understand.

Both qualitative and quantitative research methods were used in the data-gathering phase. Questions of a quantitative nature (gathering data and statistics) such as age, work position and departmental responsibility were incorporated into the questionnaire. Documentation using the qualitative method (i.e.: personal conversation, non quantifiable observations) will be in action when conducting the one on one interviews along with several questions that were also included in the employee questionnaire.

Table 3.1

Methodology Design

Characteristics of Major Project Design						
Research Design	Nature of Reality	Method	Approach to Inquiry	Role of Research	Purpose	Environmental Conditions
Action	Dependent	Quantitative and Qualitative (negotiated)	Inductive / deductive in stages	Collaborative, active participation	Construction	Real world environment

(Graphic use by permission from Laurie Maslak, 1999, p.5-2)

The approach was highly inductive, although the researcher also imparted the deductive when all of the accumulated data was analyzed and considered along with the literature review. To be inductive is to rely on observations from the field and the documented experience of your participants to be incorporated into the analysis, as opposed to the deductive which starts with a theoretical category from the outside and applies it to the situation. (Palys, 1997) The inductive approach was selected as most appropriate for this research project. The researcher did not want to lose the voice of the

participants to a theoretical category that did not and likely could not adequately express the participant's experience. To do so would potentially deny the learning opportunity.

The organizational environment is dynamic and affected by a multitude of influences that do not conform to the controlled conditions of the laboratory experiment. This is again consistent with and supportive of the thinking that resulted in the research design that was selected.

D.   Ethical Issues

There are a number of elements of the research methodology process that can create discomfort amongst the participants. It was therefore very important to assess the organizational climate and circumstances so that a comfortable and safe environment could be created. Identifying the risks and discomforts in advance will allow the researcher to take steps to mitigate the concerns. The following list was developed with this consideration in mind:

1. The participants will feel varying degrees of risk, especially as it relates to the position they hold within the company; some may actually fear that their candid comments as participants in this research could lead to future job loss or loss of opportunity.

2. Due to the acute sensitivity of many of the participants to a reactive as opposed to a proactive project, there may be a tendency to under and over state the realities of the situation.

3. Participants feel that complete openness without confidentiality could result in straining relationships to the point where ostracism by subordinates, peers and / or the boss is a potential.

4. A general distrust that will raise questions over how the research information will be used upon completion.

5. Due to my senior position at this work site there could be participants who are reluctant to volunteer comments and responses that are totally candid and honest.

The following list identifies steps that were taken by the researcher to mitigate the list of anticipated concerns immediately above; thereby conforming to a high ethical standard that to the greatest degree protects the research project participants from suffering any harm:

1. Informed consent will be secured with all participants as well as the workplace union prior to commencing with the research.

2. Confidentiality was assured by:
   - documenting data within a coded filing system
   - researcher commitment to maintain confidentiality wishes of participants
   - documentation demographic assessment to ensure confidentiality is not revealed overtly

3. The participants were treated with respect and dignity in keeping with the ethic of protecting the multiple and interdependent interests of the participant.

4. The participants had a shared understanding of the process, their involvement, input opportunities and the objectives of this research project prior to the research commencing.

5. The researcher acquired a signed confidentiality agreement with the University and the organization recognizing and accepting group and individual confidentiality.

6. The researcher communicated the process and the participant protections to the management team and the union executive in the work location prior to the research beginning.

The researcher has provided copies of the confidentiality agreements titled,

"Confidentiality Agreement for Interview Participants" as Appendix H, and "Confidentiality Agreement with Focus Group Participants" as Appendix I.

CHAPTER FOUR

EMPLOYEE INTERVIEW DATA REPORT

A.   Introduction

Interview responses were organized into a single document for ease of data analysis. Responses from the ten participants for each of the thirteen interview questions were tabulated for easy data review. To differentiate between participants, alternating typefaces have been used. The interviews were recorded and later transcribed. That document, titled "Major Project Interview Questions and Responses" is appended (Appendix J).

The researcher started the interview process with ten questions, which evolved to thirteen after the initial interviews. Therefore, not all questions have the same number of respondents. The questions targeted several organizational leadership and management aspects of the previous and present owners, as well as the interviewee's experience during the acquisition period. Based on the literature review of a previous chapter, the themes of culture, leadership and leading change, and systems thinking were threaded through the questions. However, additional themes emerged as the interviews were conducted, and interviewees volunteered more emphatic responses to some topics over others.

B.   Themes Identified from the Interviews

The researcher presently works within the organization, and as a result had a basic understanding of some of the issues that developed during the transition. He was able to design questions that delved deeply into areas of concern previously commented about in the workplace, as well as explore new

areas. The researcher prepared for this research activity by journalizing his own perceptions and thoughts about the transition to new ownership, some of which were based on privileged knowledge and others by his own experience. The journalising helped reveal any of the researcher's biases that might influence the outcome of the interviews. With this increased level of self-awareness, and some mental self-coaching before the interviews, the researcher is confident that there was little potential for leading the interviewee toward particular statements or comments.

After analyzing the interview responses, five themes became evident, which would be expanded upon in developing a questionnaire to be used plant-wide. Those five themes were change, communications, culture, leadership and trust. Responses frequently strayed away from the question and into a different topic or question. Most of the themes were developed from questions specific to that element. However, their development was certainly not limited to only those questions and responses. Key comments and questions are tabulated below.

B.1 Change

The questions and prompting statements relating to change, noted below, were designated as questions six, eleven, twelve and thirteen on the interview sheets. Interview responses clearly identified both common and conflicting responses. Most employees without a seniority protection clause expressed common concerns about the fear and stress arising from potential future job loss. The loss of opportunity afforded to employees from promoting their involvement in consensus decision-making processes was also considered a significant step backward by most. Responses to question eleven were more varied, as some felt the organization had a well-established cultural acceptance of change, while the majority clearly expressed an opposing view. Responses to questions twelve and thirteen illuminated a

number of items perceived to be important during the transition and which if addressed, would improve the likelihood for success.

Interview Question #6: In what way has the new company impacted you? How did your world change? Please expand your response with as much depth and breadth as you wish.

- It is very difficult to adapt to the new management style; that would include everything from leadership to communications and more.

- It affects your personal life at home because it is very difficult to leave troubles in the workplace at work alone – the laying off of several employees and how that was handled has me worried for my future.

- As far as decisions, well the culture of this company is different and so I don't have a lot of autonomy.

- I miss the involvement in decision making and felt a real loss when the new company went to an autocratic style.

- As a worker I don't see much difference in the work I am doing. I do see a significant change in the way we do things – I now know whom I am accountable to and whom I should be reporting back to, and find this much better than the way things were in the previous owners.

- Now we are a chemical plant owned by a chemical producing company; we have a much better opportunity to grow our future and become everything we envisioned in the past, but was likely never possible if we stayed with the previous wood products company - this is a major point that has been missed by many of the employees.

- The downsizing has definitely raised the expectations of those that remain – all the staff must work harder.

- You don't have a sense of future – I have lots of seniority so I have pretty good job security myself, but there are very many others that are less senior and you never know what the new owner is going to do next.

- With the previous company I had the opportunity to self-actualize and had more opportunity for movement because of their large size.

Interview Question #11: How would you describe the organizations change orientation prior to the announcement of the potential sale to a new owner — was / is it status quo or innovative? Managed or unmanaged, etc.?

- We were no better than any other organization in this regard.
- People were very accepting of change prior to the new ownership - if there was urgency, we would move some things.
- Neither the out of scope or the in scope people were very keen on change - I don't think it changed since the new owners arrived, it has just come more to the forefront because they push ahead.
- There were some leadership individuals open to change and over the years we managed to do some pretty creative things.
- I struggle with the flattery the organization received because I believe that the change was bought with money.
- We didn't lead the pack — we led in some aspects.
- There was actually a lot of frustration at the site at that time, we started many things, but didn't finish them.
- Our ability to change was probably poorer than many organizations - the process was such that we needed consensus, and the end product (if there actually was one) was always very diluted from what was needed.
- We have a much better opportunity to implement change in the present organization than before - that is not to say that people like it or understand or want to understand it, understanding makes the difference with change and I don't see employees attempting to do that.
- The experimenting of the past did not truly gear people to change.

- Up to the point of the sale of this company we were doing very well with an organizational change aspect - we never finished it unfortunately, but we were going the right direction.
- We had a small resistance pocket of people and didn't deal with it well.
- We have never been risk takers - we did a few neat things, but we were definitely not risk takers.
- We always strive for perfection before we are prepared to implement.
- We were risk takers - we tried something new - we tempered the risk with the collective agreement - I am not a risk taker anymore.
- Our change was managed, but the pendulum had swung too far to the abstract and we needed boundaries from the leadership - we couldn't continue to fumble along without having a clearer understanding.

Interview Question #12: In your opinion what major mistakes were made during the transition that had a negative effect on the outcome? The transition is considered the period of time from the first announcement of a potential sale (before the prospective buyers appeared on site) until one year after the sale was finalized.

- Failed to maintain their integrity and credibility:
  - They were not completely open with the employees.
  - They gave the impression that things were going to stay the same when they had intentions of making significant changes.
  - They did not communicate the introduction of new policies to the employees.
- They did not respect our culture – it was near and dear to us.
  - Didn't recognize that we will have differences.
- It was difficult to tell if they had developed and were working from a transition plan:
  - Similar to a strike, the damage remains well after the strike is settled – so does the damage of an ill-planned transition.

- ♦ If it was managed chaos, you would at least have a vision / direction – if we did, I didn't understand it.
- ♦ The lay-off was dragged out too long (eighteen months).
- ♦ They did not utilize the talents of the available resources.
  - ♦ Did not built the management team first and then use them to make and support further decisions.
- ♦ The new leader did not match our previous cultural experience.
  - ♦ The leader becomes a conduit of the company and will be watched very closely – choose your new leader wisely.

Interview Question #13: If you were the new owner, how would you conduct the transition? Would it be different than what you experienced at this site?

- ♦ I would seek to understand the culture prior to the purchase, the alignment and dissension, the strengths and weaknesses, the people.
- ♦ If I intended to buy, I would develop a plan, set goals, objectives and timelines, and role it out to the organization - I would conduct a risk assessment.
- ♦ If changes need to be made – talk about them – explain why - people may not like it, but it is important to be open - that will take a strong leader, planning, eye to the future.
- ♦ I would look for things that stated the end of the old and announced the beginning of the new.
- ♦ I would make changes more immediately – I would not allow these things to linger on.
- ♦ I would use the available resources where possible.
- ♦ Lots of communication and I would have brought in more people to support this activity and changes that were going to be implemented.

B.2   Communications

The questions and prompting statements noted below were designated as numbers five and eight on the interview sheet. Generally speaking, employees were fairly well satisfied with the communication process and information. There was considerable perceptive discrepancy among employees' interpretation of how well the new company presented itself to the employees. Some felt that it was adequate, and better than that provided by previous acquirers, while others felt the message had been guarded and did not truthfully represent the new owner.

Interview Question #8: Did the acquiring company present themselves to the new employees?   Were they open and was there adequate information shared? Regardless of whether you agree or disagree with what they shared, did they do a good job of presenting the new owner?

- Yes, they attempted to do that. Did they do a good job? No. They attempted to present themselves as more open, but you could see it was forced, not to be trusted.
- To the employees in general the new owners went a step further than when the previous owners had bought this operation. - when they came to talk to the employee, I was quite impressed.
- It was definitely a mixed message when they presented themselves.
- They were guarded; more careful is their discussion - I view this as the way that they do business and part of their culture.
- I didn't have too many questions about them – I didn't have a lot of trouble with what they were saying.
- I didn't understand the highly leveraged position that they were in.
- I don't think they were open – they were more concerned with putting their best face forward.

Interview Question #5: Tell me about the communication process to the employees during the pending sale process leading up to the sale of the facility; when the prospective buyers were tire kicking and working through issues with the owner at that time. Did you feel informed? Were you provided an opportunity to be involved? Was the process open with regular updates to all?

- ♦ The level or sense of being informed definitely increased with the level or position you held in the organization, however, most employees were quite pleased with the level of information sharing and the process.

- ♦ Most levels were not involved - minimal involvement at the managerial level also — this was generally understood and accepted.

- ♦ During the negotiation, the interim general manager for the previous owners shared what he could share - there were sensitive items, part of the negotiation between the two parties that could not be discussed.

- ♦ Actually I think they did a pretty good job, as well as they could.

- ♦ We were informed very early that there was a serious offer to buy — I had a lot of trust with the previous owners.

- ♦ Employees require regular update even if nothing significant is happening — if left too long the void has a tendency to be filled with rumours and manufactured concerns.

B.3   Culture

The questions and prompting statements noted below were designated as numbers one, two and three on the interview sheet. Question number three s .rves to essentially summarize characteristics that interviewees identified as distinct differences between the two cultures. Along with the immense cultural pride expressed by most employees during the interviews, there was also recognition that some issues needed significant improvement and that the existing culture appeared to handicap some of the needed changes.

Interview Question #1: Tell me about the culture of the organization you worked for prior to the sale. This would be the culture that the organization had evolved to, prior to the announcement of a prospective new owner.

- ◆ Sense of ownership and pride with what we had designed and built - the organization was very active in developing a new and innovative working relationship between the company and employees.
- ◆ We were a highly empowered workplace.
- ◆ To a large extent the out of scope employees had been left out - the in scope employees received the focus and the opportunity.
- ◆ We became very bureaucratic.
- ◆ There was an opportunity for input and in the majority of situations a consensus decision making style was used.
- ◆ Could be described as a non- traditional workplace.
- ◆ We had people going in different directions; as a result we often did not accomplish what we had set out to do - we needed to be roped in.
- ◆ Many employees reaped the benefits of what we were doing because they had the opportunity to grow if they wanted to be involved.
- ◆ We did not have consequences for employees that did not perform well - they were occasionally addressed, but no real consequences.
- ◆ Our culture was in serious transition during the last year prior to the new owners coming in.
- ◆ The culture was built on trust.
- ◆ We worked together cooperatively to accomplish things.

Interview Question #2: Tell me about the culture of the new organization.

- ◆ More autocratic style, top down organization - we were accustomed to being consulted with - managers now make the decisions - at least you have a line of authority to deal with.
- ◆ They are not big on consensus decision making.
- ◆ They push hard and are very aggressive.

- They want the involvement - they say that they want us to come along, but if they don't we are going to move along anyway.
- They are less prone to partnership.
- They say they are looking to the future with their decision, but it appears to be very short sighted.
- They didn't display trust in people.
- They make a very strong, firm stand on safety.
- They view people as a liability and not an asset — the fewer people we have, the better our organization will be.
- They don't consider that a person who has a full life is a better all round employee - they look for the person who spends long days at work (at the desk) — they manage this by an accountability process — checking up all the time.
- I don't know what it means to be an employee of the new owners — it seems to me that the new company is a bunch of contradictions - I don't have a clue what their culture is.
- I can read things on vision statements and policies, but they don't match up with the actions of the organization.
- They are not very open — in fact I would say it is secretive in some respects.

Interview Question #3: How are the two cultures distinctly different?

- The new company displays less trust in people.
- The new company is more aggressive than our previous owner.
- Our previous owners supported the infrastructure required to get things done.
- The new company manages the situation and the old Saskatoon culture was to provide leadership and direction rather than control - they are very hands on.

- The new company perceives itself to be very similar to our previous owners – on paper maybe, but their method of discharging those beliefs are very different.
- The previous owners were more community minded - always looked at putting something back into the province besides wages and taxes.
- The previous owners were more lassez-faire.
- The previous owners realized that to establish a culture you need champions that means identifying people to lead that change.
- The new company has not been as open around policies - they are not as open as the previous owners were.
- The previous owners were more future focused.

B.4 Leadership

The questions and prompting statements noted below were designated as questions nine and ten on the interview sheet. Without exception, all of the interviewed employees affirmed the importance of the leadership position. The researcher has modified the reporting format of question ten, respecting the ethical considerations of the Tri-Council Policy Statement, Ethical Conduct for Research Involving Humans. Most of the responses to that question have been grouped into two categories: one identifying constructive leadership characteristics, and another listing more destructive characteristics. The remaining responses to that question formed a list describing the differences between the leadership styles of the two general managers. With few exceptions, employees did find the transition to the leadership style of the new general manager difficult.

Interview Question #9: How significant a role and what degree of influence does the general manager have once the sale of the organization was final and the transition to new ownership had begun?

- It is of paramount importance – especially in a transition from one culture to another – one set of guidelines to another.
- We know little about the new company and the employees will interpret what is valued by the behaviour of the new leader.
- You can capture the employee's hands and that is one thing, but a strong leader will capture the heart of the individuals.
- Critical – no question the most important - I expect the leader to tell us the direction we are going and how we are going to get there.

Interview Question # 10: Give me your perception of the attributes and opportunities of the general manager at our location with the previous owners, and of the new general manager that was relocated to this site by the new owners. Some things to consider would be, proactive or reactive, delegative or directive, and decisive or indecisive. Feel free to expand the description as you see fit to adequately describe the two leaders.

- Constructive Leadership Characteristics from Interview Comments:
  - Must have high credibility.
  - Must be trustworthy.
  - Must be fair and considerate.
  - Empowers others, provides opportunity and utilizes available talent.
  - Clear and open with what is wanted from the organization.
  - Strong people skills and is visible to the employees - easy to approach, courteous, respectful.
  - A very good oral communicator – also listens well and genuinely considers what others have to say.

- ◆ Very professional, structured, organized.
- ◆ Strong belief in accountability.

- ◆ Destructive Leadership Characteristics from Interview Comments:
  - ◆ Lack of leadership credibility leads to distrust of the new owners
  - ◆ Responding elusively, does not deliver a straight answer
  - ◆ Poor people skills and not being visible to the employees - difficult to approach, discourteous, and disrespectful.
  - ◆ Lacks a good business sense, non-professional conduct, unstructured.
  - ◆ Lacking confidence.
  - ◆ Not being open and up front with the organization.
  - ◆ Lacks clarity about the direction and expectations.
  - ◆ Indecisiveness – allowing things to drag on with no conclusion.
  - ◆ Failure to utilize available talents and resources.

- ◆ Differences in Leadership Style Derived from Interview Comments:
  The list below documents the differences observed in the leadership style of the general manager at the Saskatoon workplace, when owned by the previous organization and the new organization.
  - ◆ The two leaders:
    1. displayed significantly different oral communication skills
    2. supported significantly different levels of accountability within the organization
    3. supported significantly different communication frequencies

  - ◆ One Leader:
    1. supported consensus decision making and the other supported autocratic consultative
    2. was viewed as much more controlling than the other
    3. used delegation more effectively

4. spent considerably more time on the floor with the employees

B.5 Trust

The researcher did not direct any specific questions toward qualifying the level of employee trust for either the previous or the new organizational owners. The researcher felt questions four and seven on the interview sheet are appropriately aligned under this theme. Several of the responses from the other theme questions contained comments indicating distrust of the new owners, which was very influential in generating trust as a distinct theme.

Interview Question #4: Do you carry any resentment toward the previous owners for selling the company?

- No absolutely none, none what so ever.

- I don't resent the new owner buying us either – I was disappointed to leave the previous organization – they were a good company.

- It was a good, valid, business decision – they clearly told us years ago that we were not core business and did not fit in long term – we knew it was must a matter of time.

Interview Question # 7: Explain how you felt and what thought(s) went through your mind when first becoming aware of the potential sale of the facility to a new owner.

- I was a little shocked I guess although I shouldn't have been.

- Actually I didn't want it to happen – our previous owners were a pretty classy operation and we were quite comfortable in our role with them - I was concerned about the unknown.

- I was excited about it - different business focus and all - it was really tough being sold by the previous owners, being a large company there was more opportunity.

- It did not frighten me – I knew there would be changes – we were far from traditional and I expected there would be changes, people might get hurt - the systems we built over the period of time that the previous owner was here were not sustainable.

- A little apprehensive - you don't know what you are getting.

CHAPTER FIVE

EMPLOYEE QUESTIONNAIRE DATA REPORT

A.   Introduction

As discussed in the project methodology chapter, themes developed from the
employee interview comments were discussed in a focus group activity.
Those interview comments also supported the development of a questionnaire
to be circulated to all employees who had experienced the transition to new
ownership. Employees were selected to participate in the questionnaire
activity on that criterion alone, and the researcher prepared a list for
recording the delivery of the questionnaire to those employees. A copy of the
employee list document is appended (Appendix K: "Questionnaire Employee
List").

The thematic questions were scattered randomly throughout the
questionnaire so that no one particular theme would be obvious to the
employee completing the questionnaire. A copy of the questionnaire with
randomly distributed thematic questions that was circulated to the
employees is appended (Appendix L: "Employee Questionnaire"). As well, a
copy of the questionnaire with the questions regrouped by theme is appended
(Appendix M: "Employee Questionnaire Themes and Numbers"). All
respondents were given the following directions: not to sign the completed
questionnaires; locations where completed questionnaires could be dropped
off; the date that complete questionnaires were to be returned. The
researcher estimated that the survey would take the employees
approximately fifteen minutes to complete.

Ninety-eight of the 114 questionnaires handed out to employees were completed and returned to the researcher. One of the completed questionnaires was rejected because a participant did not complete the age question in the quantitative section. Two additional returns were missing a single response to a qualitative question. The researcher decided to insert the neutral response (rank three) as the response for each of these two questions rather than reject the entire return. With only one rejection, the researcher enjoyed an 85 per cent return rate.

B.   Validation of Data

The researcher selected and purchased FileMakerPro5 analytical software to assist with data analysis. To more effectively utilize the software, and ever conscious of the academic submission timeline, the researcher hired a software expert from the University of Saskatchewan.

Before starting any comparison or analysis of the data, the researcher validated that data had been accurately transferred to the new software database. The database calculated individual entries by age, department, position and years of service to ensure that category totals matched with the ninety-seven responses received. Confident with the accuracy of his data, the researcher prepared to continue with the investigative analysis.

C.   Preparing an Investigative Table

To more quickly dissect and compare the four quantitative and twenty-seven qualitative questions, the researcher tabulated the responses as Table 5.1. With the data clearly presented, the researcher was able to proceed with clarity.

Table 5.1

Investigative Table

			Change						Communication					Culture					Leadership						Trust				
			5	30	15	20	25	10	11	26	16	21	6	27	7	12	22	17	31	8	13	18	23	28	29	9	14	19	24
A G E		26-40																											
		41-55																											
		56-65																											
D E P T		Prod.																											
		Maint.																											
		Fr. Off.																											
		Other																											
P O S . N		Mgr.																											
		Super.																											
		Coord.																											
		Hr.Prod.																											
		Hr. Maint.																											
Yr S E R		0-5																											
		6-15																											
		16-25																											
		26 +																											
					CH						CO					CU					LD						TR			

D.   Investigating the Data

Initial database calculations generated an understanding of the group demographics collected in the quantitative questions.

Table 5.2

Employee Age and Position Table

		Employee Groupings			
		All Employees (in scope and out of scope combined)	In Scope Day Workers (Includes Maintenance and the Laboratory)	In Scope Shift Workers (Includes Operators, Packagers and Loaders)	Out of Scope Workers (All Staff)
A	26-40	36	0	26	10
G	41-55	56	15	24	17
E	56-65	5	3	2	0
	Total =	97	18	52	27
			Total =	97	

D.1   Age Grouping

None of the employees working in any of the five positions were twenty-five years old or younger. The researcher grouped all three of the out of scope positions into one category for this representation. A majority of employees (nearly 58 percent) were forty-one to fifty-five years of age. All of the in scope day workers fell into the most senior two age brackets, whereas half of the in scope shift workers are among the youngest employees. Similarly, staff employees are heavily represented in the younger age groups.

D.2   Position Grouping

Employees working production shifts represent nearly 54 percent of all respondents and 74 percent of the in scope, or unionized workers. The numbers of employees in each of the positional categories identified in the questionnaire are shown in Section A of Table 5.3. A variation of the same

data is shown in Section B of Table 5.3. The comparative return ratio between in scope and out of scope employees was 2.6:1. Had the return rate been 100 percent, the ratio would have been 3.07:1. The comparative return ratio between shift workers (those employees that routinely work a seven day, 12 hour shift, 24 hour day rotating schedule) and day workers (those employees that routinely work a Monday to Friday eight hour day shift) was 1.16:1 in favour of the shift workers.

Table 5.3

Number of Employees in Position Groupings

Section	Number	Employee Positions	# of Employees
A	1	Manager	8
	2	Supervisor / Planner / Engineer	10
	3	Coordinator / Specialist / Assistant	9
	4	Operator / Packager / Loader	52
	5	Maintenance / Laboratory	18
		Total	97
B	6	All Staff Employees (out of scope)	27
	7	Operator / Packager / Loader (in scope)	52
	8	Maintenance / Laboratory (in scope)	18
		Total	97
C	9	All Out of Scope (staff) Employees	70
	10	All In Scope (unionized) Employees	27
		Total	97

D.3   Departmental Grouping

The departmental split, by numbers of employees in each of the four areas identified in the questionnaire, is shown in Table 5.4. The significant difference between the departmental and positional information is the inclusion of respective staff in both the production and maintenance areas. Laboratory employees were shifted into the "Other" category rather than being included with the maintenance workers.

Table 5.4

Number of Employees by Department and Years of Service

Department	Employees (number)		Years of Service	Employees (number)
Production (Staff,Ops,Pkg,Ldr,Steam)	55		0 – 5	3
Maintenance (Staff,Trades,Projects)	21		6 – 15	30
Front Office	10		16 – 25	9
Other (Lab,Safety,Enviro,Purch)	11		26 or more	55
Total	97		Total	97

D.4 Years of Service Grouping

The numbers of employees in the various categories of years of service are shown in Table 5.4. The majority of employees are long-term employees, with very few employees having short terms of service.

E. Years of Service Responses to Selected Questions

The data indicate that the two largest age categories are the six to fifteen years of service group, representing 31 percent of the employees, and the twenty-six or more years group, containing more than 55 percent of the respondents employed in this workplace. Table 5.5 compares the years of service with responses to selected theme questions.

Table 5.5

Years of Service Response to Theme Questions

		Change						Trust		Culture	
		5	30	15	20	25	10	29	14	22	17
Yr.	0-5	3.0	4.0	3.7	3.0	3.0	3.3	2.7	2.3	4.0	3.7
S	6-15	3.3	3.5	3.3	2.2	3.8	4.4	3.6	4.0	1.8	4.3
E	16-25	3.1	3.2	3.6	3.4	2.2	4.1	2.3	3.9	3.2	2.9
R	26 +	2.8	3.6	3.6	2.2	3.9	4.0	3.6	3.5	2.2	4.1
Average		3.0	3.6	3.5	2.3	3.7	4.1	3.4	3.6	2.2	4.0

Generally, years of service had no effect on employees' acceptance of the statement that a company needs to respond to environmental influences if they are to remain competitive. This does not mean that the employees believe the changes being made are necessary to remain viable. Employees may accept the concept without accepting particular changes that management has made. Most years of service employee groups commented that had the new owner honoured the company's history, it would have made acceptance of the changes more palatable. Only one years of service group, the sixteen to twenty-five year group, did not accept this statement. For this group, honouring the past was not of significant importance as a change enabler. The neutral response to question twenty indicates the employees did not have a good understanding of the changes that the new owners wanted to implement. If changes were inevitable, the employees expressed their preference that those changes be made expediently, even if it meant a reduction to the workforce. The last point was strongly expressed by employees in the zero to five-year of service group; having the lowest workplace seniority they are at greatest risk if an employee reduction did occur. However, employees in this group responded to question twenty-nine that they felt a low level of threat to their employment and also extended a low level of trust toward the new owners demonstrated by their response to question fourteen. The small number of employees in the zero to five-year group makes it difficult to draw any conclusions from this conflicting information. On the other hand, the more senior employees in the other years of service groups felt a significantly higher threat to employment while at the same time extending a much more trusting attitude. Having the opportunity for input was a very strong want among those in the most senior service category. That same group also strongly stated how undervalued they presently feel as employees at this location.

F.   Age and Position Responses to Selected Questions

Table 5.6 collects the responses from a number of specific questions in four of the five theme areas, and relates those responses to the combined categories of age and position.

Table 5.6

Combined Age and Position Responses to Selected Theme Questions

Age	Position	Specific Theme Questions						
		CH 15	CH 10	CU 27	CU 17	LD 18	TR 29	TR- 14
26 - 40	Operations (in scope)	3.62	3.88	4.00	4.15	2.42	3.62	3.81
26 - 40	Maintenance(in scope)	No maintenance (in scope)in this age group						
26 - 40	Staff (out of scope)	3.50	4.10	3.30	4.30	3.00	3.40	3.00
	Average	3.58	3.94	3.81	4.19	2.58	3.56	3.58
41 - 55	Operations (in scope)	3.25	3.92	4.13	4.17	3.00	3.83	3.75
41 - 55	Maintenance(in scope)	3.33	4.07	3.07	3.13	3.27	2.93	3.80
41 - 55	Staff (out of scope)	3.71	4.76	3.29	4.47	3.47	3.35	3.47
	Average	3.41	4.21	3.59	3.98	3.21	3.45	3.68
55 - 65	Operations (in scope)	4.50	4.00	3.00	4.00	4.50	2.00	3.00
55 - 65	Maintenance(in scope)	3.33	3.67	3.00	3.00	3.67	3.00	3.67
	Average	3.80	3.80	3.00	3.40	4.00	2.60	3.40
All Employee Average		3.49	4.09	3.64	4.03	3.02	3.44	3.63

Of note and interest to the researcher was the very similar response level to all questions by the twenty-six to forty year old employees, whether they were in scope or out of scope. Younger employees expressed a greater need for input, and except for the affirmative responses of the younger and middle aged operators, it would appear that the employees were rather indifferent to the changes happening in the company prior to the sale. Acceptance for the more traditional managerial and supervisory decision making style increased with the age of the employees. Concern over job loss was the reverse, with the concern for employment decreased with age. Trust for the new owners did not appear to be influenced by age.

G. Position Responses to the Qualitative Questions

G.1 Introduction

The information presented in Table 5.7 displays selected thematic questions in which the responses varied noticeably by position group. Readers can refer to Appendices L and M for the questions. The numerical response rating to any one question is not necessarily indicative of a more positive or negative attitude within the department. The framing of the questions varied considerably and therefore, each response must be assessed individually.

G.2 Change (CH)

Responses to questions fifteen and thirty ranked higher than neutral and indicate that employees would prefer the company to make necessary changes expediently, even if it meant loss of employment for some. The employees agreed that they did not have a good understanding of the changes the new owner was implementing, and all of the responses indicated the employees' need for the new owner to demonstrate respect for the culture at the time of the acquisition.

G.3 Communication (CO)

Within the communication and culture theme questions (Table 5.7), it is evident that the information elicited in questions numbers eleven and twelve is complimentary. Question eleven asked employees if they felt that the failure of the new owners to communicate changes would create a false expectation that no change would occur. Number twelve asked the employees if they understood the new culture within six months of the change in ownership. The lesser general disagreement from staff (especially managers) might be due to their increased access to information. Employees show overwhelming support for the expedient disclosure of information whether it

is good or bad news and a strong concern over the communications received from the new owners when they first arrived on location.

G.4 Culture (CU)

The response to culture question twenty-seven (Table 5.7) suggests a more neutral belief in past practices by the manager and maintenance / laboratory employees at the workplace. The responses given by shift workers, including those in scope workers aligned with the production department, demonstrated strong acceptance of the past practices. Responses to question twenty-two indicate that in scope employees, along with the support staff in the coordinator / specialist / assistant positions do not feel valued, and that shift workers feel the least valued of all. All positions indicated an above neutral to strong desire to understand the culture of the company they work for, however, except for the managers all positions were neutral or less when asked if they understood the culture of the new owners within the first six months of the transition.

Table 5.7

Employee Position Combined with Questionnaire Theme Results

	Themes					
	CO	CU	CU	CU	LD	TR
	11	12	22	27	18	29
Manager	3.63	3.38	3.75	2.88	3.75	3.75
Supervisor/Planner/Engineer	3.70	2.60	3.00	3.30	3.50	2.80
Coordinator/Specialist/Assistant	4.22	2.56	2.33	3.67	2.67	3.67
Shift Worker (Ops,Pkgr,Ldr,Stm)	4.08	2.44	1.65	4.02	2.77	3.65
Maintenance and Laboratory	3.39	3.06	2.61	3.06	3.33	2.94
All Employee Average	**3.89**	**2.66**	**2.21**	**3.64**	**3.02**	**3.44**

G.5   Leadership (LD)

The response to leadership question number eighteen (Table 5.7) is not surprising, in that one might expect the managers and supervisors to feel more strongly about retaining the ability to make decisions. All other positions responded with varying degrees of lesser acceptance to that suggestion. An affirmation of the importance of the site leader, in this situation the general manager, to the overall success of the transition to new ownership was strongly supported by all positions.

G.6   Trust (TR)

The response to trust question twenty-nine (Table 5.7) indicates that managers are the group that felt the greatest employment threat when the new owner acquired the company. The employees reported a slightly above neutral tendency toward an initial willingness of extending their trust toward the new owner. The general employee response indicated the existence of a low level of trust toward the new owner at this time. Employees also generally agreed that it is important to see the caring side of the company they work for.

H.   Transition Success and the Change Process

H.1   Introduction

The data in this section is presented in a considerably different style than in the other sections of this chapter (Tables 5.8 and 5.9). The data has been separated into two categories (H.2 and H.3) that combine various theme questions in each. The responses tabulated in this section are the collective average of all employees who completed the questionnaire for that specific question. Because the framing of the questions varied, no particular importance can be attached to a higher or lower numerical response; the ranking does not necessarily indicate either a positive or negative reaction by

the participants. To enable the data analysis in this section the researcher has reversed specific questions to make them consistent with other questions in the table. The following index has been provided to assist in the interpretation of the question number in the tables:

Index:

◆ R: when the letter "R" immediately follows the question number it denotes that the results were reversed for that question alone, for consistency with other questions.

◆ W: when the letter "W" immediately follows the question number, it denotes a question directed toward the actions of the previous owner; questions without the letter W were directed toward the actions of the new owner.

◆ D: when the letter "D" immediately follows the question number it denotes the difficulty of making any credible interpretation of that employee response when included with the other questions in that grouping.

H.2   Success of the Transition Activities

Questions that are indicative of the perceived degree of success achieved with the transition have been presented in Table 5.8. A numerical response of one indicates a very poor transition outcome and a response of five would indicate a job well done. The very low numbers demonstrate an unfavourable response by employees to all questions, with the exception of number six, which applies to the previous owner.

Table 5.8

Success of the Transition Activities

Question Theme	CH	CH	CO	CO	CO	CU	CU	LD	TR
Question Number	5	20	26 R	16	6W	12	22	31R	19
Employee Response	2.98	2.34	1.39	2.01	3.26	2.66	2.21	1.1	2.06

H.3 Employee Preference for Task versus Process

Table 5.9

Task Versus Process

Question Theme	CH	CH	CH	CO	CO	CU
Question Number	30D	15D	25 R	11R	21R	27R
Employee Response	3.58	3.49	1.3	2.11	0.88	1.36

Question Theme	CU	CU	LD	TR	TR
Question Number	7R	17R	23R	9R	24R
Employee Response	1.14	0.97	1.3	0.89	0.84

The responses tabulated in Table 5.9 indicate whether the employees generally prefer the company to use a process or task based approach when implementing changes. A numerical response of one would express strong support for process and a numerical response of five would indicate a preference for task. Aside from the responses to questions number thirty and fifteen, which are difficult to credibly interpret, all of the responses heavily favoured process over task. (Note: it could be argued that the previous owner had conditioned employees to a process approach, and thus, there might have been a process bias inherent among people returning the questionnaire) Furthermore, employees at Saskatoon had been functioning within an organization that had promoted the use of process in determining how to respond to the needed change for several years. They were also accustomed to using consensus to make decisions at this location, which directs the employees to work a process before coming to a decision that all participants could support.

CHAPTER SIX

EMPLOYEE INTERVIEW AND QUESTIONNAIRE ANALYSIS

A. Introduction

The previous two chapters dealt with data reporting only and did not attempt to make further connection or provide additional meaning from the material gathered in interviews and questionnaires. In this chapter, the researcher will undertake a more detailed analysis of the combined information packages from both.

The interviews provided several pages of documentation that recorded individual experiences supported by the facts and perception of events as they occurred at the workplace during this transition to new ownership. This information offers insights toward developing a greater understanding of employee reactions to different aspects of the transition. An opportunity to observe non-verbal responses to the questions provided information not evident in the text of the responses. The researcher will attempt to convey this information and look for additional linkages to further understand the experience. The researcher will not analyze each respondent in an attempt to understand their individual experience by how they responded to all of the questions.

The questionnaire allowed the researcher to further investigate many of the thoughts and experiences that arose from the interview activity. It provided a forum for asking questions that were categorized according to specific themes developed from the interviews. The questionnaire data report

separated responses by employee group. As in the interview data report, no attempt was made to develop further meaning for the differing levels of concern by some of the employees, or for responses that were relatively consistent.

The following sections of this chapter will link the data from both of these activities back to the five themes that emerged from the interview activity. The researcher will also refer to reference material from researchers in this area to assist with the analysis.

B.   Change Analysis

Interview comments indicated that some employees felt that some of the old cultural practices were out of control, lacking responsibility and consequences and responded far too slowly to the need to implement change. Employees, therefore, were aware of these issues. There was some frustration within the organization, with recognition of the need for change in these areas. On the surface, people in the organization appeared to welcome some of the changes implemented by the new owners. While some interview comments indicated support for some of the changes implemented by the new owners, resistance, frustration and anger were more commonly expressed.

The data report indicates that employees understood and accepted the need for the company to respond rapidly to environmental pressures to remain competitive. The employees also preferred that the owner make necessary changes expediently once the need had been identified and the decision to proceed was made.

The data reports also indicate that employees did not have a good understanding of the changes the new owner was making and / or additional changes the new owner desired to implement. This does not necessarily

mean that employees would readily accept change, but if understanding is a fundamental aspect of making change successfully then it goes without saying that a lack of understanding will make the transition much more difficult.

It is difficult to determine the change orientation of the organization in general. Under the previous owners, the Saskatoon location was recognized by external agents as innovators in building improved labour / management relationships. Employees had the opportunity to influence the changes made. However, just because employees were involved in making decisions about the changes implemented does not mean that the organization was especially adept in making change. Some felt it was as much an opportunity to delay or at least minimize change. Seven of ten comments gathered from the employee interviews indicated that the organization was not nearly as change-oriented as it thought itself to be. One interviewee commented that the period of high employee involvement period actually had a detrimental affect on the company's change orientation, as the tendency was to look for the perfect solution to satisfy everyone.

Interviewees expressed general frustration with the lack of mandate boundaries given to groups that were empowered with various change initiatives. If consensus decision-making failed to deliver a timely response that satisfied the mandate, some employees indicated that management could and perhaps should have imposed a decision. Not wishing to undermine the employee involvement process and consensus decision-making style did place the management team in a difficult position. If management was to take back control of decision making, the employees might perceive this action as non-support for the joint decision making relationship established with the union. However, when management did not step in the

organization became paralysed, and both employees and the business were jeopardized.

As noted earlier, the employees preferred the new owners to proceed with expedience in making the desired changes. This would require all employees to be aware of the desired changes and the organization to be actively working toward completing those changes. (LI Business News, 1999) Employees repeatedly referenced the long anticipated work force reduction that was eventually completed eighteen months after the acquisition, although it was long anticipated that a reduction would be made.

Managers, identified decision-makers of the new owners, were quite possibly reluctant to take risks for fear of making a mistake. Mistakes were feared because of the potential for self-selecting oneself for future lay off. Lacking the protection of a collective agreement that can govern or influence dismissal decisions, these out-of scope employees might have viewed the situation as safer in maintaining the status quo rather than instigate the controversy or conflict that often comes with making change. When compared to the other Sterling locations, the Saskatoon site appeared heavy with employees and several believed that a workforce reduction was inevitable in time. Despite this possible reluctance, managerial failure to confront difficult issues and/or initiate change is more likely to have a detrimental affect on continued employment.

Questionnaire data reported in Chapter 5, H.2, showing the low numerical responses to the nine questions in Table 5.8, are indicative of general employee dissatisfaction with transition activities. Employees further perceived that the company put forward an effort that was neither comprehensive nor sufficient. For seven years before the most recent sale of the company, the previous owners had conditioned the Saskatoon location to

a process of change-making based on high employee involvement. The employees had become process-oriented to the point that it was an expectation in the workplace. Employee responses to the questionnaire validated that this process of high employee involvement had become an essential element of the culture.

C.   Communication Analysis

A good place to begin the analysis of this theme is to review the communication and involvement process followed during the acquisition. Upon receiving an offer to purchase the Saskatoon site in early December 1996, the previous owners immediately notified the management team. Within days, a general session was organized for a communication to all the employees. The company's provincial division manager and on-site leadership took part in the communication, at which they shared information about the interested purchasers. A process was announced whereby several employees would make presentations to the prospective buyers. A presentation date was scheduled in early January 1997, and several joint committee members began preparing presentations about the business and its organizational values, principles and culture. The potential buyers made a similar presentation.

The general manager in Saskatoon had been recently transferred to a new location and the management team was functioning with the position vacant. The owner decided to fill this void at least temporarily with an off-site employee. Negotiations continued for six full months before the deal was successfully completed in July 1997. The length of time required to close the sale points to the presence of difficult items that required time to negotiate satisfactorily. The potential buyers visited the organization on several occasions during the negotiations. A number of activities between the two companies required the involvement of on site managers knowledgeable

about particular subjects. At the same time, the temporary general manager conducted several communication sessions open to all employees on the site. Typical agenda items included sale negotiation updates, benefit package comparisons between the two companies and question and answer periods. As the deal was concluding, the human resource departments were involved to inform employees and ensure their successful transition to new systems and benefit providers. The new leader was announced at the deal-sealing communication session, which was conducted within hours of the two parties signing the final sale documents with their respective legal councils.

Previous acquisitions of the Saskatoon Company have resulted in very poor communications to the employees, as the companies at that time preferred to maintain confidentiality and silence until the deal was completed. On one occasion the purchase coincided with negotiations of a new collective bargaining agreement between the union and management at the plant site, and the employees were totally unaware of the sale event.

The interview and questionnaire responses regarding communication were quite consistent, and for the most part, could not be differentiated based on age, position or years of service. One exception, however, was that both in- and out-of-scope leadership positions had more knowledge and awareness of events during negotiations and shortly after the transition itself. The outcome is not unexpected, since many of the managers and union executive were more involved with specific items relevant to the transition process and thus had increased access to information.

Most employees did not expect to be involved in discussions of the actual transition so there was no significant disappointment in that area. There appeared to be a general recognition that the sensitive and confidential issues that surfaced during the negotiations between the two companies

could not be widely shared. Data reported in previous chapters indicated that employees were satisfied with communications processes during the acquisition negotiations. A relationship based open communication between company and employee had become culturally entrenched in the Saskatoon location by the time of the sale. The fact that the company communicated the potential sale of the organization back in December 1996 is a testament to that claim. By continuing to place their expectations with the previous owners until the time that the sale is completed, the employees could associate the responsibility for effective communications with the same company. During that time prior to closure of the sale, the interview data suggests it is also an important opportunity, appreciated by some. for the prospective buyers to introduce the new company at the communication sessions. The additional benefits of an organizational assessment or audit that come with such communication sessions will be discussed in the final chapter.

In following the rationale presented in the previous paragraph, ownership of the communication process would then be transferred to the new owners once closure of the sale was finalized. Some employees were pleased to simply have the opportunity to meet the new owner before the sale closed, as by itself, this far exceeded their past acquisition experiences. The data suggests considerable perceptive discrepancy among employees as to how well and how accurately the new company presented themselves before the sale was closed. As an example, employees cited a communication stating that the values of two firms were very similar and that they harboured the same beliefs. The new owners would likely have possessed a limited understanding of the values at work in the Saskatoon workplace. When compared at face value, the new owners may well have felt that way at the time. Values are one of the areas that require the most time and in depth understanding and it was possibly premature in "rushing" to make the statement.

It is important to remember that few employees wanted to leave the fold of the previous owner. This reluctance suggests that the new owners will be highly scrutinized as they take ownership of the Saskatoon location. This statement is not meant to rationalize negative comments, but rather to imply there will be few items that escape employee attention. Although employees expressed concern about several comments received from the new owners during the pre-sale period, it would appear that the fundamental concern was with communications or lack thereof after the sale. The implications of these observations will be discussed further in the final chapter of the study.

D.   Culture Analysis

All aspects of this research could be linked under the domain of culture, since the culture of an organization can be viewed as inclusive of all aspects and products of the questionnaire themes. With the benefit of the information received during the interviews and from the questionnaire, the researcher will attempt some separation of the rather unique context of a specific culture and portray how it influences and affects its members.

It will be of some value to briefly review the history and cultural evolution of this workplace over the last decade. The beginning of a distinct culture shift was evident and recognized at this location as the post 1989-strike era. The culture appears to have undergone significant change after the first few relationship mending years were behind the parties. During that time the employees became accustomed to a communication style that opened the financial books and revealed information that had long been kept confidential by management. In the research interviews, the in scope employees referenced the openness of the relationship and the sharing of information that was important to the success of the company. The joint standing committee process of developing principles and values further strengthened

the relationship and allowed both of the previously combative employee groups to form a common understanding of what was important to each. Interestingly, both groups concluded that the success of the business was the best method of fulfilling each other's needs. The improved labour relations at the site lead to a joint commitment to a change process that would result in an empowered and involved workforce. The general environment within the organization was for the most part, harmonious and friendly. Commonly called a "threat-free" environment, the approach to the management of personnel was generally conciliatory and accountability was not pushed on individuals or departments, which may have been a problem. Thus began the gradual in scope employee shift to becoming a highly participatory workforce. The local newspaper and numerous additional human resource management magazines identifying the organization for its innovative work practices wrote several complimentary articles to that effect. (Kyle, A., 1993; Parker, J., 1995) Further accolades were forth coming when the workplace won the ABEX award from the Saskatchewan Chamber of Commerce for their "Innovative Work Systems". (M. Haner, Congratulations Saskatoon Chemicals Ltd. memo from the general manager, 1994)

Having the involvement of an organization's employees is thought to be a success that defines an edge over the competition in most workplaces today. Involvement leading to a high level of participation is believed not only to reap rewards for the employer, but also for the employee who is allowed growth opportunities according to Maslow's higher level self-actualization need. Many employees expressed the satisfaction they received from the growth opportunities and all employees but the maintenance department solidly endorsed the desire to work in a highly participatory organization that provides them the opportunity for input. It is apparent from the data that the employees at this location were afforded a rather unique opportunity by the previous owners to develop a non-traditional relationship where the

company and employees would look for a "new way of doing business" and prosper accordingly.

The out-of-scope employees were not as enthusiastic about the changes that had taken place prior to the sale, but they did not register major dissatisfaction. This would be quite understandable, as that group had traditionally been more involved in making a number of the decisions in the work place; and with the focus and some power shifting at that time being afforded to the in-scope employees. Thus the out of scope group, especially the supervisors, often retained the accountability, but lost the control. One interview comment suggested that the staff (referring to out-of-scope employees) were a neglected lot since the company centred its energy on the unionized in-scope workers. By all accounts, the focus certainly changed with the new ownership and clearly the managers have regained much of their perceived lost power. Not surprizingly, this group also responded positively to the question of feeling valued as an employee with the new owners. With the shift back to a more traditional relationship by the new owners, as it was described by many interview responses, so goes the shift of power, decision making, input opportunity and opportunities for growth opportunity as well. The entrepreneurial spirit that exists and is practised within the more senior level managers of the new owners is recognized. They have grown their business significantly over the last eight to nine years. The organization in Saskatoon has in many ways duplicated this effort as the historical account of the growth at this location was discussed in the literature review chapter. Coupling the effect of this growth with many of the other cultural aspects of the organization suggests that the employees at this location, especially those who were in positions of more significant influence, were very accustomed to making their own decisions and setting the strategic direction for the company.

Positional responses to interview question number twenty-two confirm the sense of loss that is felt by many of the in scope employees as they no longer feel valued as employees under the new ownership. The negative response to that question is likely also influenced by the significant employee reduction at the plant site while under the new ownership and possibly a response to the reduced involvement and decision-making power afforded the in scope employees. It is difficult to say if the workforce reduction was a result of the economic difficulties the new owners were experiencing or as a result of their cultural cost competitiveness focus; more likely a result of both of these items. There were several very bitter comments that reflected a perception that the new owners viewed employees as liabilities rather than as assets. The researcher is of the opinion that the reduction did have a negative attitudinal reaction with many of the employees and influenced how they responded to a number of research questions about the new owners. The employees expressed concern over the lack of involvement and how the reduction was communicated, suggesting that the method for carrying out the action was the greater issue and not necessarily the action itself. It is recognized that the research results may be confused to a certain degree as a result of the employee reaction to the reduction. At the very least it is questionable if some of the responses would be as critical of the new owners if this event had not taken place.

One of the primary contributing factors to an increased employee resistance to the new owner might be due to one of the very qualities that some organizations seeks in its employees; that being ownership and responsibility. By allowing and encouraging processes to develop, which enable employee involvement in the activities of a company, you would expect to prosper from the diversity and knowledge of the employees and the employees will gain confidence as they grow. As a result, the employees take tremendous ownership in the organizational practices and systems; after all

they were significant contributors to what was developed. The employees, the company, the organization built it together with a developing culture of interdependency; as evidenced by the interview and questionnaire date, for the most part they believed in the outcome. Based on the questionnaire results this is a more accurate statement of the in scope workers who are traditionally marginalized when it comes to having decision making power and the opportunity for influence in the more strategic organizational areas. The researcher will link the thought presented in this paragraph to a major research finding in the final chapter on conclusions and recommendations.

Most employees lamented the lost ability of the organization to set strategic direction while under previous ownership. Under new ownership the company would no longer retain the corporation chemical plant entity of the past, but instead will become a manufacturing location within a much larger chemical manufacturing corporate entity. This would serve as a compounding negative outcome to many whom had enjoyed the participatory and involved years of direction setting in the past. There would likely have existed a somewhat entrepreneurial excitement for those that had accepted the involvement opportunities and a sense of loss when the more controlling culture of the new owners began to take root.

Several significant differences have been identified between the two companies. Many of those differences can be captured under the perception that the new company manages and controls the situation and the old culture was to provide leadership and direction rather than control. The researcher does not suggest fault with either style, he merely points out this employee perception because such practices are indicative of not only business beliefs, but also of cultural differences that will be evident throughout the practices and policies of the company.

Recognizing that there were considerable cultural differences and there would likely be difficulty with the transition, it would have been important for the employees to fully understand the culture of the new owner. This does not mean the employees will be accepting of the changes, but it would be a strong message that needed to be sent about the beliefs, practices and expected changes that will occur under the new owner. The survey responses to questions seven and twelve support the need for that understanding.

E.   Leadership Analysis

Technology, global economics and cultural differences are all representative of the change that is demanded from an organization at this time. How well that change is introduced and incorporated into the organization is highly dependent on the leadership within. To support the transition of an organization's cultural identity requires the guidance and stewardship of skilled leadership. A successful transition will be highly dependent on the leader's ability to articulate direction with goals and objectives and to communicate such information to the employees in support of the changes that were not previously expected or understood.

The interview data report has already established the recognized importance of the site leader, the general manager, to the overall transition success. In this situation the new leader arrived from a sister plant that was also owned by the acquiring company, and consequently, because of this historical employment connection the leader became the company's ambassador. Positive and / or negative perceptions gleaned during this period of time are understood to be an extension of the company itself. Employee interview and questionnaire responses stated how the employees were especially fixated on the actions of the new leader. Fixated to the point where ambiguities are certain to surface if the direction and communication are not abundantly clear and open, and forthright responses are not always provided.

The comments suggesting the differing leadership styles of the two general managers compounded the transition difficulty. Based on additional comments referring to the slow implementation of change that was evident under the previous ownership, some differences in leadership style were likely necessary to ensure the transition could be completed in a timely fashion. The differences between the two leaders in this example are quite extreme and most likely created significant confusion and added difficulty to the employee's adjustment period. In reviewing the list it could be conceived as a cultural transition all to its own, without the added confusion of changes desired by the new owners.

Having a cohesive leadership team alignment with the set direction would be of paramount importance. The fact that the managerial and supervisory group did not feel that such cohesion existed was identified as a key contributor to the difficulties that were experienced, and will be expanded upon in the final chapter.

As discussed in the chapter four interview data report, interview question number ten was specific to the leadership style of the two general managers of the previous and present Saskatoon organization owners. Several of the comments were of a very pointed and personal nature presenting the researcher with an ethical dilemma when considering the Tri-Council Policy Statement, Ethical Conduct for Research Involving Humans. Therefore, the researcher has organized the data into a format that conforms to the ethical considerations and to the greatest degree possible preserves the essential messages being delivered. Feedback that was discussed in the chapter four data report will be transferred into the leadership section of the final chapter conclusions and recommendations.

F.   Trust Analysis

The organization at Saskatoon can reference their own historical experience in attesting to the benefits that can be achieved once a trusting relationship has been established between two parties. The improvement of labour relationship with the previous owners would not have been possible without the building of that trust. This point is further evidenced by the interview responses directed at the previous owners after the relationship was severed by the sale of the company. Contrary to the potential for feelings of rejection and abandonment reported by Hoare and Cartwright (1997), employees in the Saskatoon workplace did not harbour bad feelings or resentment toward the owners as they were aware of the sale potential and of the business rationale well in advance of the event.

The questionnaire data report chapter has already established the low level of trust that exists toward the new owners with the exception of the managers who are slightly above the neutral response level. A portion of that distrust is likely a result of the employee reduction that occurred at this location and the fear and resentment that often follows such an event. However, there were numerous comments throughout the interviews that would suggest there was more than just an employee reduction that contributed to the erosion of trust.

When employees speak of an organizational and / or a leader's integrity it is the product of a multitude of interactions and actions over a period of time. Therefore, it can also be stated as the combined effect of how a change or cultural transition is conducted, the communication process and actual communications received, and the conduct of the leader. Covey (1989) identifies integrity and honesty as above all other characteristics essential for a trusting relationship to exist, and once damaged it is a very difficult

position to recover from. Communications are a critical aspect of the integral process and it is therefore most important to be very clear in what you say. Ambiguity breeds a multitude of perceptions from the audience. Therefore, it is upon the individual to be direct and clear about the message he or she wishes to send. Several of the employees felt that communications under the new owner were guarded and misleading. As mentioned in the leadership section of this chapter, the employees will be watching very closely and any perception of such intentional ambiguity will soon lead to a perceived lack of integrity. Perception being reality for the many employees that have arrived at this conclusion.

Employees understand that their respective job security can be threatened as a result of an acquisition occurring. It is understood that part of the rationale behind an acquisition or merger is often to capitalize on opportunities to become more efficient and effective, leading to becoming more cost competitive. Synergies are often achieved in the administration areas making some positions redundant. The managers also becomes highly vulnerable as they lack some of the system protections that the in scope employees enjoy. They will need to be perceived as supportive and capable leaders by the new owners and their initial stress is often high and does not subside until the managers can more clearly understand how they will fit into the new organization. This may be very difficult, especially if the managers were convinced the previous culture was good because the company had been very prosperous. In scope employees with low workplace seniority and lacking a specific job skill that can offer a potential for increased job security might be expected to recognize a greater risk to their employment. Surprizingly this fact was not well supported by the questionnaire results; however, the very low number of employees within the zero to five years of service demographic may have affected the reliability of the results.

All of the questionnaire employee positional groups indicated that they were initially open toward trusting the new owner. The degree of this trust varied somewhat; it went from slightly above neutral that could be interpreted as a cautious behaviour toward quite open, when the positions were separated by age. The questionnaire data did not indicate any open distrust, although several comments from the interview process suggested "concerns" with respect to the new owners. Those concerns might easily have turned into distrust. The questionnaire data report identified a much more trusting attitude was extended by the more senior employees despite the fact they also felt a higher level of threat to their employment. This threat to employment felt by the more senior employees' conflicts with the perception that employees with a collective bargaining agreement that offers employment protection with a seniority clause would feel more secure. An explanation to this might be the high number of maintenance workers that are long service employees. The threat for those workers may not necessarily mean loss of employment opportunity at that location, but rather to be forced out of their respective trades role and into another department where the work, role and shift would be significantly different. For example, after toiling for more than twenty-five years as an industrial millwright who has worked a day shift, it might be a difficult transition if forced to secure employment as an equipment operator that works twelve-hour shifts on a twenty-four hour rotation. In such instances, the employee may find it more palatable to find employment elsewhere rather than accept the new role.

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

A.   Introduction

This chapter summarizes some of the key learnings that have emerged from this project. The primary focus of the researcher has been to identify areas of concern and suggest some actions to address those concerns. If friction points are anticipated and matched with mitigating actions designed to reduce the potential for a clash of the two cultures, and to create a positive environment, then desired changes can be accomplished. Referring to the quote by Carleton below, significant changes were incurred at the Saskatoon workplace in all the mentioned areas and offer support for the notion that a culture clash was predictable.

> "...the clash will occur when two groups have different beliefs about what is really important, what should be measured, how best to make decisions, how to organize resources, how to supervise people, how to pass on information and so forth." (Carleton, 1997, pg. 70)

As this project progressed toward completion the researcher was often reminded of the comment that there are no natural constituents to change. (source unknown) Change agents and change implementers might be identified as more accepting of change. However, having a primarily focus to change others is no assurance that the agent is also accepting of change directed in their direction. This thought causes one to pause and reflect upon the difficulties experienced and the potential to create a positive environment

being challenging when attempting to implement change within the workplace.

B. Conclusions at the Sterling Saskatoon Location

B.1 Cultural Mismatch

The relationship between Sterling and most of the employees in Saskatoon is presently one of frustration and confrontation. The research indicates that a cultural mismatch exists with most, but not all employees, and that the acquisition is probably on a downward spiral. This spiral has come about because of several factors that originated with the initial negative experiences of the employees and continues to build as the issue deepens and new criticisms are added. The analogy presented by Goffee and Jones (1998) that compared the culture of an organization to the infrastructure of a building could help to explain the collapsing affect that occurs when the culture is stressed. A further discussion of these factors will help to develop a greater understanding of the cultural clash that has occurred, which will help in identifying alternative ways to move forward.

B.1a Participatory Expectations

Under the new ownership, changes were implemented in the workplace with little or no regard for the participatory processes used by the previous owner to achieve changes. In fact, this fundamental element of the previous organizational culture is largely non-existent under the new ownership. This does not suggest that the change process needs to be identical to the previous one, but only that participation of some sort is a critical element for the employees regarding their relationship to their workplace.

The research suggests that outcomes, while important, are not necessarily the most important dimension of this culture. Rather, the process by which

the organization arrives at those outcome decisions is central. Since the
participatory systems were fought for and earned as a result of the 1989
strike, it is not surprising that participatory processes are deeply entrenched
in this aspect of their organizational culture, and that employees are very
resistant to a culture that does not allow participation in the decision-making
processes of the workplace. One might ask if the learning was in "the fight"
required to attain such benefits or in the actual benefits achieved as a result
of working out ways to make it work. However, if not to the same degree,
both of these learnings would likely entrench the participatory expectations.
Carleton (1997) pointed out that cultural clashes occur when two groups have
different beliefs about what is important. Responses to the survey indicated
that, in retrospect, employees were prepared to move forward and accept
some policy and cultural changes if the new owners would have first
acknowledged their culture and honoured the past. The following quote
indicates the passion and attachment that the employee felt for the processes
that had developed at this location since the 1989 confrontation and a sense
of disbelief as the initial response to the changes.

> "For me it was a tough transition. It took me a long time to a accept
> what was happening because I believed so much in what we had been
> doing, I found it hard to accept the realization of what was going on."
> (Interviewee number nine)

B.1b Damaging Communications

Another issue that served to further exacerbate the situation in Saskatoon
was that the company was seen to have failed to communicate the changes
they desired to implement in an open and forthright manner. The employees
wanted to know what was changing and to have input, not simply to know
that there would be change. Responses to survey questions number twenty

and twenty-six indicated that the employees were not aware of the changes that were going to occur, and that Sterling had left the impression that changes would be minimal. Stack (1992) emphasizes that employees will fill a communication void with perceptions that breed fear, mistrust, and false expectations. The following quote indicates that precisely what Stack expected actually happened at the Saskatoon location.

> "We were anxious and needed to hear something – when there appeared to be a void – longer time between the last communication session – the employees needed to hear an update even if nothing was happening. Before long people start to manufacture a concern and feel that they are not informed." (Interviewee number five)

Formerly, employees in the Saskatoon workplace had experienced an "open book policy". It had been the practice of the previous owners to share almost all of the information pertaining to the company's financial situation. The relationship-building model that both union and management adopted shortly after the strike in 1989 was based on the principle of openness. Together with specific consultative processes, the openness led to understanding and developed trust. Therefore, employees were culturally conditioned to open communication, and it follows that after being told by Sterling representatives that the new owners would operate from the same set of values as the previous owners, the employees were led to believe that this aspect of the relationship would also remain the same. Love and Gibson (1999) stress that while organizations may use words that appear to be the same, the meaning attached to those words can be considerably different. The questionnaire data also identified that the employees were prepared to extend an initial offering of trust at least until such time that the new owners had demonstrated that they could not be trusted. This foundation may have been fragile in the early stages of the relationship, so strengthening it was

dependent upon the company's actions. Unfortunately, the full potential of the opportunity was not realized, as employees felt that communications received from the new owner either had no content and/or were ambiguous. Risberg (1997) pointed out that focusing on communications throughout the entire acquisition process would have avoided or minimized many of these issues.

To complete this section the researcher has selected a number of quotes from the employee interviews that clearly express frustration and resentment. This developed during the transition and in reaction to the approach to communications. Interviewee number four addressed an underlying concern toward the credibility of the earlier communications. However, the quote does suggest an element of judgement that had preceded the employee conclusion. The second quote points to a communication process that was inadequate in keeping employees apprised of changes as they were being made. Demonstrating adaptation, in this instance the financial interests could have been honoured until the company had issued a communication informing the employees of this change.

> "As it turned out we were correct in our assessment, their walk did not match their talk" (Interviewee number four)
>
> "Nobody even told us about the changes; we found out after the fact or when somebody submitted a receipt for reimbursement for something and was then told that we no longer support this item. An employee needs to know what is happening." (Interviewee number eight)

The next quote is a reaction to what was seen as ambiguous communication. It reveals the deep-seated distrust of the new owner because of their lack of openness with employees. Risberg's (1997) comments on the importance of comprehensive communication are once again well taken here.

"The biggest to me is the lack of honesty and the contradictions. Once you contradict yourself you have set yourself up as a liar. I think they knew that we would have employee reductions from the onset and did not want to let us know about them. If they felt it was necessary, I may not agree, but at least I knew that they were open and up front about it. They would have retained their integrity." (Interviewee number ten)

Covey (1989) stressed the importance of integrity as being a fundamental element to a foundation of trust, which is essential to the cooperation of the parties concerned.

B.1c   Change of Leadership

Acquisitions can lead to a change of leader and potentially of the entire leadership team, in addition to numerous other acquisition-related changes. The new general manager had a substantially different style of leadership, characteristics and abilities from his predecessor. The adjustment required to successfully adapt to the new leader presented a degree of difficulty that further complicated adjustment to other changes associated with the acquisition.

The previous leader's support for consensus decision-making complemented the empowerment promoted by the previous owner. Of the sixteen plant committees that constituted the previous organizational leadership structure, (Appendix D) all but the management team were comprised of both union and staff members. Fourteen of those committees used consensus to advance decisions within their respective committee mandates. The success of this style, coupled with the relationship that existed between the respective union

and management employees, was dependent on the high level of trust that had been developed between the two parties.

The new owner was seen as having a controlling approach over many aspects of the business and resources. The new leader introduced an autocratic consultative style of decision making that reduced the power of many committees. This meant that the decision remained with the positional leader, although input from others would be considered prior to that decision being made. Several committees were eliminated altogether, many without a formal disbanding of the group. Decisions from the management team were no longer driven by consensus, but followed the new leader's more autocratic decision-making style. The entire organization was converted to top down decision-making, which was in diametric opposition to the bottom up approach that was fundamental to the development of the committee driven organizational leadership structure in the past. This leadership approach appeared not to extend the same level of trust to employees, especially to employees who had belonged to a far less controlling and more open culture with the former owner and leader.

The new leader also presented additional characteristics that differed from the previous leader. His perceived use of a more confrontational approach and leveraged positional power created difficulties for many of the employees. DePree (1989), whose work was based on a servant leader approach, suggests that the effectiveness of a leader to make a difference is really a result of those who permit leaders to lead. The researcher believes that this more controlling style of leadership is more common within the Sterling organization than with the previous owner. The new leader was simply aligned with the leadership expectation of that culture. Kouzes and Posner (1995) comment that a dependence on position power and the need to control

might also indicate a leader who has chosen to conquer an organization rather than his own fears and doubts about his ability to lead.

B.1d Concluding the Damage Assessment

All organizations have to change if they hope to survive in these times. (Wheatley, 1996) As they change, so does the culture of which they are part. The workplace culture in Saskatoon had an evolution of its own under the previous owner. Why then is it so difficult to move on to something new again? The difficulties are best understood and the dynamic is best explained by the following adage, "People don't resist change, they resist being changed". (Source unknown)

From the comments and responses received during the research activities, the researcher has concluded that the employees perceive the clash of the two organizational cultures to be one of good versus bad.

> "They view people as a liability and not an asset." (Interviewee number seven)
>
> "We think they are a bunch of liars when they do this." (Interviewee number eight)
>
> "I think some decisions are bordering on cynical." (Interviewee number nine)
>
> "They didn't display trust in people." (Interviewee number four)

Goffee and Jones (1998) dispelled the notion of good culture – bad culture from an organizational assessment perspective and pointed out that a culture should only be viewed as functional and dysfunctional as it relates to the competitive market it occupies. The authors' perspective may be correct. However, the researcher believes that another perspective might be considered, which is the employee's perception of the new owner's culture.

The failure of the new owner to meet employee expectations that they had understood to be a part of the organization's culture, and the attachment that most of the employees had to the culture of the previous owner, has created the dynamic of good versus bad. A number of negative comments gathered during the interview processes were directed against the culture of the new owner, and it appears that majority of employees also view the new culture as dysfunctional. In this instance, however, the feeling of dysfunctionality might be in relation to their own interests and not to the competitive marketplace the company competes in.

The combined effect of the transitional issues identified in the research is best articulated by a comment put forward during one of the confidential interviews. The statement highlights the distress an employee can experience, which further helps to explain the emotionally charged resistance that has surfaced. It is important that leaders understand the potential for the profound emotional effects of a transition on employees. In the researcher's opinion, this comment expresses the severity of the emotional turmoil that surfaced during the transition and suggests that it will be remembered for some time.

"To me, an analogy of how the new owners vandalized our organization is like being proud of a new shed that you had built, and watching somebody come along and tear off the roof, tear off the siding, break the windows and so on. That is what it feels like when you have your culture torn apart, even though it might have been just a plain old shed (culture), you had attached and were responsible for all of those little things that make it a pretty solid building. It is one thing to tear it down and make it different, but it is another to have it vandalized at night, slowly and insidiously torn apart, and you don't even see it happening because it is dealt with in a less than integral fashion.

There is a sense of pride in what we had done here and a sense of violation in what we see happening." (Interviewee number nine)

C. Recommendations for Sterling Pulp Chemicals Ltd.

C.1 Introduction

The researcher suggests that there are three strategic options to be considered for addressing the situation between the employees at the Saskatoon workplace and the new owner: staying in the autocratic spectrum; moving to more participatory processes that will require definition; choosing a point along a continuum between the two. A number of actions that could be leveraged in support of each particular strategic option have been listed within each category. The interviews did not indicate unanimous agreement or disagreement with the culture of either the previous or the present owner of the company, although there was a clear preference for the practices of the previous owner. Thus, there are groups of employees with attitudes and approaches to work that could form a foundation for each of the three strategic options. This is not meant to suggest that any one of these approaches is more correct or incorrect as a direction with which to proceed. However, because of his personal historical knowledge and experience as an employee at this work site and the information gathered in the research process, the researcher has suggested what he believes to be the best approach for the company. Where appropriate, he has offered his opinion as to why the other two options might not be successful. Whether or not the company decides to pursue any of these options, or decides to pursue something altogether different, it is advised that advance communication of the plan and direction, along with the clear, honest communications about expectations, achievements and problems that surface along the way will be paramount in achieving a successful outcome.

The research offers several conclusions about the existing cultural mismatch and the conflict that has developed between most of the employees and the new owner. In reviewing safety and labour conflict records of the Saskatoon plant site one can see the rather obvious connection between the two. If the strained relationship continues, the potential exists for the organization to suffer an increase to employee injuries, a further increase to legal costs and additional business damaging losses associated with a frustrated workplace. The financial cost of grievance and arbitration activity since the acquisition has increased significantly, robbing the organization of valuable human and financial resources. (Actual amounts will not be released. However, the comment on rising arbitration costs was provided by Beverley Smith, the Western Region Human Resource Manager for Sterling Chemicals, Ltd.) The company can and should take action to improve workplace relationships before history repeats itself and arbitration costs rise to or exceed the $205,000 three-year cost mentioned in the literature review. The researcher has provided documented historical safety and legal cost statistics within Appendix E.

Edgar Schein (1992) promoted the need to confront our culturally based differences to get past tolerance and into acceptance, thereby avoiding the build up of friction. It is clear that until the clash between the two organizational cultures is addressed, it will restrict the company's ability to implement additional changes, limit the organization's potential, and have a devastating effect on employee morale. For employees at the Saskatoon location, participation can be best defined by the language in the "Leadership" and "Involvement and Empowerment" sections of Appendix B, Company Values, Continuous Improvement Principles. Given the emotion attached to partnership and participatory processes, the company has an opportunity to harness that energy for its benefit.

C.2   Hybrid of the Autocratic and Participatory Process

Based on the history of the workplace, the culture of the new owner and information gathered during the research process, the researcher is of the opinion that this would be the best option for the Sterling Saskatoon location. The option suggests that Sterling needs to choose a point on a continuum of workplace process that ranges from autocratic on one end to fully participatory on the other. The perceived benefits of moving towards a more participatory direction must be tempered by the company's comfort level with that direction. Ideally the employees and the company would work together in identifying the continuum starting point. However, the researcher suggests that although important, the process by which this decision is made is less important than the company's commitment to support that decision. The research indicates that some movement toward the participatory would gain status in the eyes of the employees.

The case for Senge's (1990) learning organization has been referenced several times throughout this research. Senge presents an analogy that the true leader of the ship is the designer of the ship, not the captain or other designated leadership roles. The ship's rudder is the designer's product and it does little good for the captain to order the ship to turn if the rudder is not designed to allow that movement. Leadership within the Saskatoon workplace has the opportunity to unleash and empower others by designing, rather than controlling the direction of the organization. The researcher suggests the company should develop a plan that would allow for progression along the continuum toward more participatory processes, therefore, the start point is a beginning, and not an ending. A plan would be announced, steps identified and measurable expectations consistent with the original starting point on the continuum having been developed and communicated with employees. As well, the company has the opportunity to make it clear to

employees that the level of employee participation in workplace decision-making will be adjusted only when successes are demonstrated, and only after a reasonable period. There will be a learning process for both Sterling and the employees, regardless of where on the continuum the company chooses to begin rebuilding more productive workplace relationships. The researcher believes that a joint forum is required. The forum would be one where employee ideas are treated as input and not as decision making, and where union and management representatives can discuss developing issues, change, communications and results. Hanna (1988) voiced his concern about the potential to backslide. He emphasized the need to manage the culture once a decision had been made and stressed that this would require strong leadership and a commitment to the vision.

Marks (1997) used the analogy of driving in two lanes of traffic at the same time to point out the difficulty a leader will have in taking care of day-to-day business and managing the transition to new ownership during an acquisition without the benefit of additional support personnel. This analogy also successfully describes the difficult reality of leading in an organization that is operating with two opposing cultures. Yukl's (1998) comment that the culture of an organization can reduce anxiety and confusion in its members must be remembered. One can easily imagine the difficulties that will arise and continue when an owner tries to push one culture onto the organization and the employees remain entrenched in another.

The process of deciding on an organizational direction and choosing a starting point could be credibly presented with some dialogue about the difficult financial situation the company has recently experienced. Interview comments presented in section C.1 of this chapter point to some employees' possessing an understanding of the need for control during troubled financial times. Now that those immediate needs have been dealt with, more

participatory approaches can be looked at. It is not difficult to understand a company would need to remain within a fairly narrow comfort zone around workplace decision-making processes during difficult times. It is arguable that a company need not resort to autocratic styles during those times either. Sterling was not resorting to an autocratic style, but was simply conforming to their culture. It is, however, important to recognize that the degree of cultural conformity may vary with the individual. In this workplace, it would be an advantage to the company to communicate a desire to develop a new comfort zone together with employees, so that it is well understood and accepted by all. Stack (1992) reminds us that when people are part of the process and accept the targets that are set; they will usually hit those targets, and Senge (1990) points to the commitment attained through a shared vision.

The next interview comments suggest that employees have some recognition that the company wants to be something different, but don't fully understand or appreciate what it takes to get there. By communicating that the company is sincere (and the company must be sincere) about exploring new terrain, and that it is looking to the employees at the Saskatoon location to work with them in moving forward, Sterling would garner a level of support by the employees.

> "It seems to me that the new company is a bunch of contradiction."
> (Interview employee number eight)
> "I believe the company still wants the involvement." (Interviewee number two)
> "I think they perceive themselves as something different (want to do the right things, be something else), but the culture doesn't really allow or support that transition to take place." (Interviewee number ten)

The employees' responses to survey question eighteen asking employees if they preferred that management and supervisory leaders make the decisions of an organization were neutral to mildly supportive. Comments received during the interview process would suggested that some employees within the organization have an inherent expectation that the leaders will ensure that decisions are made and changes are implemented in a timely fashion. Interviewee seven and nine commented on the culture under the previous owner and number eight is referring to changes under the new owner.

> "We needed somebody to rope it all in and get results from the effort."
> (Interviewee number seven)
> "The change we are dealing with now is more solid and decisive."
> (Interviewee number eight)
> "I think our change was managed – but the pendulum had swung to far to the abstract and we needed boundaries from the leadership.
> (Interviewee number nine)

This does not mean that the employees are supportive of an autocratic style of leadership, especially in light of the lack of support for the change initiative in the first place. However, if a process that allows significant employee input and involvement also unreasonably frustrates the implementation of an initiative, it appears that some employees also become frustrated, and they expect the leaders to step in and address the issue.

Many of the interviewees highlighted that several organizational problems required attention while the Saskatoon location was under the previous ownership. There does appear to be ample evidence that changes were required, while it is uncertain if the changes that were implemented might have resulted in a number of the same outcomes. The study completed by

Clarke and Haiven (1999) at the same Saskatoon location studied by the researcher, offered some conclusions toward what had previously prevented the successful development of a partnership between the company and the unionized employees at the Saskatoon location. A systemic issue with the inner democratic workings of the union was identified as the primary factor that limited the organization's ability to involve employees in decisions that were needed to respond to in this rapidly changing environment. Another conclusion by Clarke and Haiven was that there was reluctance by the union to accept accountability for the decisions they wished to share in. This was a major difficulty associated with the transference of decision-making power. The conclusions drawn from this study provide useful information should the two parties decide to pursue this option.

As well, comments collected in the research indicate that some employees will support a "new beginning" if a new point on the continuum is selected. Kotter (1999) has pointed to the need for an organization to be capable of responding rapidly in these fast-moving times. Several of the interview comments have highlighted an issue in this area with the previous culture and the need for improvement. Additional interview comments express the frustration the employee's felt when they were unable to complete initiatives. This could be explained by Hargrove's (1995) comment on the deep need for employees to add value and to realize a sense of accomplishment in the present, not in some far off future. A further explanation for this frustration could be the differing needs of the individual employee; for instance some may desire the financial rewards that may follow the accomplishment of goals where others may seek the recognition. The following list identifies a number of the comments that were received during the interview process.

"We left out the staff people." "I don't think we were very accepting of change prior to the change in ownership." (Interviewee number two)

"There was actually a lot of frustration at the site at that time, we started many things, but didn't finish them." (Interviewee number three)

"There was a bureaucracy that developed, in wanting to be the best it seems that we wanted to become the best bureaucrats also." (Interviewee number four)

"There had to be downsizing – the systems we built over the period of time that the previous owner was here were not sustainable." (Interviewee number five)

"I don't think the right reward went to the right people. They did reward people, but not the people who should have been rewarded."

"I don't think we had consequences for those that did not do their job." (Interviewee number seven)

"I don't dispute there were some faults to the process that needed correction, but overall it was the right way to go." (Interviewee number eight)

"Just prior to the sale we had slipped back a little." (Interviewee number ten)

Additional rationale for moving toward the option of greater participation has been put forward below. The suggestions were identified by the researcher and do not represent conclusions drawn from the research material.

- A showing of some flexibility would demonstrate good faith and sincere intentions and provide a foundation upon which to build together. If, however, the company does not believe it is the right thing to do or if the movement is beyond a comfort level that can be supported, don't do it.

- Considering the present labour relation environment, it is not realistic to expect that true collaboration can occur immediately. Rather, a compromise between both parties would appear to be a more

reasonable expectation, once again creating a foundation upon which to build.

A final point in concluding the presentation of this option: it would be highly unrealistic for either party to move to the opposite end of the continuum that they currently occupy. Neither can simply adopt the culture of the other, an exercise that has already been proven as extremely difficult in this research. Nor can either shed their skin in a quantum leap – it was developed over a history of environmental, personal and work experiences that speaks to the need for a gradual transformation.

C.3 Participation Revisited

The case for a participatory system or a unique Sterling system of participatory processes can also be made. Several actions would support development in this direction. Senge (1990) delivers a strong message that in the future, successful organizations will develop inspiring leadership based on coaching. This will create an environment that builds capacity, and which, with understanding and opportunity, enables employees to grow and develop. The process under the previous owners was highly participatory in nature, and encouraged involvement leading to a sense of ownership by the employees. The following statement forms a part of the previous owner's values (Appendix B) and further supports the entrenchment of these practices.

- ♦ Participation in fact-based decision making and problem solving by everyone is encouraged, recognizing that all employees have a stake in the success of the business.

When asked to comment on the culture of the previous organization during the interviews, the employees responded with the following comments.

"The culture was one of involvement, of consensus decision making."
(Interviewee number two)

"Word that comes to mind is partnership." "The culture was consensus
based – that was the way we did things." (Interviewee number three)

"We were very active in developing a new and innovative working
relationship between the company and its workers." (Interviewee
number five)

"It was a learning organization." (Interviewee number six)

"Progressive would be the first word that comes to mind." (Interviewee
number seven)

In order to prepare for a more interactive process with the employees, the
company could appoint some of their most people-friendly, but competent and
effective managers. They would have several options in filling those
positions: promoting from elsewhere in the organization; from within the
Saskatoon workplace; or outside hiring. The researcher would suggest that
the first choice should be to stay within the organization for two reasons. The
introduction of another relatively unknown variable at this point might bring
with it a whole new set of cultural problems, and employees might react
negatively to this change. Identifying the right people would be consistent
with Kotter's (1996) comment as to the importance of building a guiding
coalition.

In this option, the leaders could announce the change of direction throughout
the company. The announcement could be presented as a company pilot
project to investigate the development of a more participatory system of
decision making, and further, that the pilot grows from the successful
partnership that the previous owners had with employees. As well, the
company would benefit from acknowledging the mistakes made during
communications of the past, and make a commitment to communicate in

ways that are inclusive of and sensitive to employee needs. Communications about the change in direction would need to be on-going and open.

To practice a participatory process that resembles the previous model, the researcher suggests that the two parties come together and strive to agree on what changes are desirable, and to develop agreement on other issues. There were a number of aspects of the previous owner's approach that employees liked, and these elements could either be rebuilt or expanded upon provided they could meet other business needs. This would enable the organization to move ahead.

There are similarities between the situation at the time of the 1989 strike and the existing situation in Saskatoon. The researcher believes that creating a forum, as was done in 1989, could provide a very good beginning for the trust building process and eventually developing a cooperative environment.

If proceeding with full participation, one of the first steps that the company would do well in considering is to initiate a process that with time, more experience and an improvement in the relationship could lead to consensus decision-making. As stated in the interviews, this style was the dominant method by which decisions in the workplace were made. A second stop would be to institute the committee structure (or a similar process) of the former owners (Appendix D), or another system favourable to the parties.

To enable communication and information sharing between employees and the company, and improve the strained relationship between the two parties, the organization could implement a process similar to the former Standing Committee discussed in the cultural analysis (Chapter Six).

Another element upon which to build is the previous organization's orientation toward people. The following statements were a part of the previous owner's vision statement (Appendix A). By including these statements in the vision, the owners had established a focus to create strong relationships and a workplace environment in which employees wanted to remain.

- ◆ Be an employer of choice by a diverse workforce.
- ◆ Operate in partnership with customers, suppliers and our labour union.

A general assessment of the interview comments points to a level of satisfaction with the previous owner's culture, although some concerns were identified. Were the company to revert to the practices of the previous owners, and copy or approximate something similar to the previous culture, relationships could potentially be mended, and the effects of conflict minimized. However, the research does not indicate that a reversal at this point would have the desired effect. The previous system had flaws that caused difficulties in the workplace and that needed to be addressed. A number of the interview statements in support of this position are found in section C.1 of this chapter. Finally, as discussed in earlier sections of this chapter, the Sterling culture does not match with that of the previous culture. A sudden switch by the new owner to a participatory model is not a realistic option for the very same reasons that the organization could not switch easily from the culture that developed under the previous owners to the Sterling culture.

C.4   Remaining Within the Autocratic Spectrum

Should the company decide to stay at the autocratic end of the continuum, they should not expect to be well supported by the present employee group. As discussed in the hybrid option, the research clearly indicates the

preference of most employees for the culture under the previous owner. The questionnaire and interview activities also identified several employees who did not support that approach and for that reason did not become involved with it. Other comments indicate a degree of employee support for the direction of the new owner.

> "There were others that were not interested and didn't get involved." (Interviewee number one)
> "Unfortunately it also allowed many of our other people that were not interested in moving ahead to hide in mediocrity." (Interviewee number three)
> "The negative people got their way; this is what I was thinking. They fought the changes we were trying to make at this location and it was just too much for the previous owner to stick with us." Interviewee number eight)
> "What is boils down to is at least you have a line of authority to deal with." (Interviewee number five)

Recognizing that they have allies in some employees, the company could look at getting those people on board and as informed supporters of change by acknowledging the issues identified and the sentiments expressed, and building them into a rationale to be announced to the organization.

Sterling could use the union reversal as additional leverage. That the union elected a more traditional executive prior to their acquisition by Sterling was proof that the participatory approach was floundering, as suggested in one interview comment. There are more comments expressing doubt over the sustainability of the previous system that could also be leveraged.

"I think the election result (swing back to more traditional executive) was part of the reason they sold us. I predicted that they would spin us off within six months of that election and sure enough, that is what happened." (Interviewee number ten)

Relentless competitive pressure fuels organizations to be ever focused on increasing their efficiency and ultimately staying cost competitive. Kotter (1996) spoke of the need for a fluid and responsive organization to respond to these increased demands. The employee response to survey question number ten indicates that employees recognizes the need for a company to be able to respond to the competitive pressures of global economics. The company could leverage this awareness into acceptance of the more autocratic, focused style of leadership by at least a core cadre of personnel by providing more information about the global economy and the relentless pressure and difficulties in meeting the competition. Interview comments also demonstrated that employees appreciate the difficult financial situation that the company was experiencing, and recognized that restraint was necessary. The comments do not indicate acceptance for the more autocratic direction, but they do suggest an understanding for the need of more stringent control.

"Certainly the market has changed over the last few years, so to give the new owner the benefit of the doubt there are hard business realities to contend with if you want to be around in the future." (Interviewee number one)

"We must appreciate the fact that since this company bought Saskatoon they have not been in a good financial state, so whether that is the real culture or more of a product of the difficult times I'm not totally sure." (Interviewee number two)

"In fairness to them, they are bottom line driven, in financial difficulty and they could not afford the luxuries we had become accustomed to." (Interviewee number three)

Up to this point the only action required in this option would be the development of a comprehensive communication plan. There are a number of additional actions that can be taken, not only building support for this style of leadership, but reducing support for the leadership style of the previous owners by indicating that it may have been appropriate for its time, however, today the situation has changed. These actions are presented below. They are somewhat radical in nature and it is not the researcher's intention to suggest that the process circumvent the union where such actions dictate a need for their involvement.

♦ Swing criteria for hiring practices, job descriptions and evaluation and performance review systems toward rewarding people for responding to an autocratic approach.

♦ Dismiss management / leadership personnel who are strongly attached to the participatory approach and replace them with key people from within the organization who have accepted the organizational shift.

♦ Acknowledge the communication mistakes and commit to operate differently. A good start would be to communicate openly about the plan outlined here, using sensitive language.

♦ Negotiations for severance packages might be started with employees who will not be happy working for the new owner under the new organizational culture. This is not to suggest that the company undertake a process to identify these employees. Rather, employees who find the organizational shift difficult or unacceptable should be invited to initiate severance discussions. Ultimately, neither party will be happy if the employees remain in the workplace under the new direction.

These actions were put forward only as suggestions that the company could follow if it wishes to remain with the existing more autocratic system. The researcher does not believe that this is the best option for the company and seriously doubts that a comprehensive communication plan could effectively turn the organization toward this direction. Communications to date have been regarded as highly suspect, as mentioned elsewhere in this chapter. Based on how the company's track record has been perceived to date, there is no guarantee that the employees who favour the present system would also be trusting of the organization's communication. Furthermore, the researcher believes that the disruption caused by the dismissal of management / leadership personnel will only cause further mistrust, confusion and disruption in the workplace.

D. Conclusions for Organizations Pursuing Acquisitions

D.1 Conducting a Cultural Audit

One of the most important conclusions of this study is that organizations like Sterling that are looking to acquire or merge with other companies need to do an exemplary and thorough business audit. This audit should confirm the usual business factors, like strategic fit, financial performance, and marketing system. These considerations should be analyzed extensively and well in advance of deciding whether or not to make the purchase. A lack of attention to any one of these elements can leave a firm involved in a merger in a highly vulnerable state. Part of the trap is that with a delay between a decision to purchase and the actual purchase, some of these factors surface at a later time. This can leave a firm like Sterling feeling that they dare not take the time to be as thorough as possible in all areas of the audit. The company may be reacting either to their own or an imposed sense of urgency, and a desire to make the deal. Regardless, the need to actively seek out the

opportunity for an audit does not diminish. The researcher suggests that an acquiring organization that does not make this element a priority thereby demonstrate their lack of awareness and sensitivity to the need. This situation speaks to a larger systemic failing within the organization itself.

Ashkenas et al (1998) commented that because companies infrequently undergo the processes of acquisition and merging, it tends to be seen not as the important process that it actually is, but as something that the company has to get through in order to get back to the important business. This might offer an explanation for the shortcomings in the acquisition and merger activities in the Saskatoon workplace. Planning cannot guarantee success or provide assurance that conflict will be avoided, and that difficulty will not arise. Nevertheless, planning can significantly reduce the number, and the impact of issues that will need to be dealt with, and hone in on the most important ones. Correctly anticipating the issues, and proactively preparing a plan to mitigate the occurrences will increase the probability of a successful acquisition. Deal and Kennedy (1982) state that this process as still something that is a bit of a "black art".

The following quote from one of the interviewees indicate the nature of the relationship issues that can surface after a difficult transition.

"My attitude has changed, where I would once do the extra things, I don't feel like doing them anymore. I don't have that feeling of wanting to do that extra. This is now a job, with the previous owners it was a career. I enjoyed it; I liked coming to work. I had the feeling that I was adding value. I don't feel like an employee of the new owners, I am working for them, that's all." (Interviewee number one)

As previously mentioned in this study, culture has not been recognized as one of the more important business parameters that should be assessed. Holbeche (1998) stated that human resource professionals have a crucial role to play in the development of a transition plan. Human resource professionals look at factors that have a short-term and long-term implication for employees. While the researcher is not necessarily agreeing that this work has to be done by human resource professionals, conducting a comprehensive cultural audit to reveal differences and similarities between the two organizational cultures is consistent with the recommendation from Clemente and Greenspan (1999). In the current study, the research has identified that several of the differences between the two companies were significant, and that it was predictable that there would likely be difficulties associated with an attempt to align the respective cultures. An audit, provided there is a real understanding of their current culture, would enable the acquirer to develop an acquisition plan that considers the fit between organizational cultures as well as other aspects of the business. (Love and Gibson, 1999.)

D.2   Implementation of the Audit Outcomes

Additional conclusions have been drawn from the research that support the need for a thorough implementation plan. This plan, with the issues identified through a cultural element of the auditing process, would significantly increase the probability of a successful transition. These conclusions have been presented below.

D.2a   Acquisitions are Stressful for the Employees

Acquisitions, like a take-over by a new CEO or employee downsizing, must be recognized as initially highly stressful times in the life of an organization. Compounding any of these transition activities can be expected to magnify the degree of difficulty experienced in the organization's adaptation to the

introduced changes. Several comments collected during the interviews and employee responses to several of the survey questions substantiate the degree to which acquisition-induced stress surfaced in the Saskatoon workplace. The uncertainty that surrounds an acquisition can be a frightening experience for the members of the organization. (Marks and Marvis, 1985) The item that has created a high degree of workplace stress at the Saskatoon location was the threat of loss of employment felt by employees. The questionnaire points out that the threat was felt more strongly in some areas of the organization than in others. The stress associated with the threat of a loss of employment is supported by comments forwarded from several interviewees.

> "The new owner keeps people on edge – you don't know where you stand – don't know if you are going to have a job tomorrow. It is short-term thinking and won't serve them well in the long term."
> (Interviewee number six)
> "The stress level is high – never knowing when or if they will decide to cut your job next. I am stressed, I have little job dissatisfaction and have become very cynical about the company." (Interviewee number ten)
> "All of this has taken away from my quality of work life and my home life. I felt immense pressure, angst with this company and still do."
> (Interviewee number four)

If Yukl (1998) is correct in his assertion that the culture of an organization can reduce anxiety, confusion and uncertainty by helping the employees to understand the environment, it then stands to reason that the employees will experience an increased state of anxiety and confusion when a culture with significant changes is imposed upon them. Marks (1997) comments that stress is natural, but that it is important to minimize the downside of the

transition by reducing employee stress and helping them cope with its effects. Assisting the employees to deal with the trauma associated with transition in ways that are considerate of their needs will reduce the amount of resistance arising from frustration. Supportive action will not only reduce the probability of employee trauma; it will also speed up the rate at which change can be implemented and demonstrate the company's caring side to its' employees.

The acceptance of change follows a recognized psychological process that begins with holding on, moves to letting go and finally too moving forward. (Cultural Change – Organizational Strategy, 2000) It is possible to create a good beginning and a focus on the future by identifying items and issues that will sever the employees from the past. Employees made several comments about the major mistakes made during the transition that support this statement.

> "I would look for things that stated the end of the previous owner and announced the beginning of the new company." (Interviewee number two)
>
> "I would say that now you are working for me – it is more than just a name change – it will mean change. This is the road we are going to go down – this is our goals, our objectives and our vision." (Interviewee number five)

D.2b   Considerate, but Expedient

Employee responses to research questions fifteen and thirty strongly support that organizations involved with acquisitions proceed with the desired changes in an expedient fashion. This would clarify expectations of outcomes for the employees. Of particular concern in this research was the extended

lapse between the acquisition and the downsizing activity. Comments arising from the interviews indicate that employees were uncertain as to whether Sterling had determined that a reduction in the work force at Saskatoon was needed from the onset, or whether the reductions resulted from the tough financial times that developed after the acquisition. The researcher is of the opinion that both influenced the reduction, which occurred approximately eighteen months after the acquisition. The following quote is representative of comments made in both the interviews and questionnaires with respect to expediency, accepting that a tough message might have to be delivered. An employee might also have argued that the company did not afford sufficient time to the situation if the changes were implemented in six months or less. Having not received any comments complimenting the company for taking the additional time, there is nothing to substantiate the potential for this reverse position.

"The lay-off was dragged out too long (eighteen months). There may have been a number of factors that influenced or interfered with the speed of change, but I think they should have got on with business. If they didn't know what they were going to do, they should have been working hard to understand and at least had some thoughts in this area. The surgery is never pretty or easy, but if you have determined that you are going to do it, get on with it as expediently as possible." (Interviewee number five)

D.2c Communication Considerations

The damaging effect of the poor communications processes that occurred at the Saskatoon location was discussed in section B.1.b of this chapter. A number of additional conclusions with respect to communications have been

extracted from the research at this location, which might offer direction to others developing acquisition communication plans.

Companies considering an acquisition should create a forum, or possibly more than one forum, in which to have open communication sessions with the employees at the acquisition site before concluding the purchase of the company. Interview comments collected during the research investigation indicate that these sessions were greatly appreciated, and that the process itself was a good one. The primary concern that was expressed related to the content of the communication rather than to the process, and therefore, cast a shadow over the communication process in general. Nevertheless, the effort was acknowledged as a step that could have been very positive, as supported by an interview quote below.

"To the employees in general they went a step further than when the previous owner bought the operation. When they came to talk to the employee, to show what they had to offer the employees, I was quite impressed with them." (Interviewee number two)

"Actually I think they did a pretty good job, as well as they could when you accept that there are bound to be some things that could not be discussed as they were confidential and key to the sale." (Interviewee number three)

"It was handled about as well as it could be." (Interviewee number six)

Stack (1992) felt that communicating is one of the most difficult challenges in any business. It is not enough for a company to simply identify the key items that need to be communicated and then to convey them in a fragmented fashion. Insights from this study clearly indicate that a comprehensive communication plan, designed to reach the entire audience on a regular and

frequent basis, is a critical aspect of the acquisition plan. (Schweiger et al, 1987)

D.2d   Leadership Skills that Enable Transition

Based on comments received from the interviews, the leadership style displayed by the previous general manger could be comparable to that of a transformational leader. Kouzes and Posner (1995), and Senge (1990) advocate the power of transformational leadership as the method for finding that common, all-embracing organizational culture: to engage people in the journey; to gain employee commitment to the strategic direction, which allows for involvement in shaping the way to get there. The employees at the Saskatoon location were very involved with setting direction for the company under its previous ownership.

Referring once again to the interview material, the leadership style of the general manager under the new owner was perceived as very controlling. This style was in direct contrast to that of the general manager while under previous ownership, and points to the mismatch between the employee's previous experience and current expectations, and the leadership delivered by the new owner. The impact of this difference and the resulting apparent clash point between the two cultures is further supported by the authors Kouzes and Posner (1995), Kotter (1999), and Senge (1990) who also identified the contrast between the controlling, planning, and calculating elements of "managing", and the inspiring, coaching and commitment developing style of "leading".

A leader can be viewed as closer to the surface level of an organization and the style of leadership that is displayed is at risk of being perceived personality based rather than organizationally influenced. However, the researcher suggests that the style of leadership that was exercised in

Saskatoon needs to be understood from a systemically influenced perspective rather than from the individual. Extending this analysis a little further highlights a fundamental difference between the two cultures that will continue to surface if it is not recognized and efforts to mitigate the situation are not made.

The research information supports the conclusion that the newly appointed leader is viewed by the employees as an extension of the beliefs and values of the new owner. This would be especially true if the leader were a transplant from another location owned by the acquiring company. It is, therefore, incumbent upon the leaders of the acquiring company to ensure that the leader they select for the newly acquired organization represents what the organization wishes to portray. (Covey, 1989)

Employees at the Saskatoon workplace felt that the success of the transition was highly dependent on the strength of the soft skills that a leader possesses, as evidenced by both interview and questionnaire responses. Goleman (1998) pointed to the soft skills associated with emotional intelligence that give competitive advantage and distinguish leaders. The following comment supports that concept.

> "The leader is the person who is going to make the switch from the previous owner's attitudes, behaviours and philosophy to the new company. The people skills must be very high; these skills are more important than the administrative skills." (Interviewee number five)

Comments collected during the interview, and specifically, responses to questions on leadership, have enabled the researcher to develop a list of leadership qualities that would be useful in leading an organization through an acquisition transition. (Chapter Four – interview data report for interview

question number ten) The soft skill list is more focused on leadership rather than management skills. The employees felt that a good transitional leader must:

- be fair and considerate
- possess strong people skills and be visible to the employees
- be easy to approach, courteous, respectful
- be a competent oral communicator who also listens well and genuinely considers what others have to say
- empowers others, provides opportunity and utilizes available talent

Consistent with the qualities identified by Covey (1989) and Kouzes and Posner (1995), the list further identified that a leader must:

- have integrity and a high level of credibility
- be trustworthy
- be confident
- be clear, direct, open and communicate what the organizational expectations

The remaining skills speak to the leader's management skills, stating that a leader must:

- conduct themselves professionally, be structured and organized
- demonstrate a strong belief and support for accountability at all levels
- be decisive – does not allow organizational needs to drag on with no conclusion

D.2e Successful Transition Requires Resources

Adequate resources for leading transition must be dedicated to support the cultural changes made during acquisitions and must remain in place until the transition has been completed. It is apparent to the researcher when looking at the magnitude of the task in Saskatoon, that the new owner's expectation that one person (the general manager) would achieve the changes

in a timely, efficient and effective fashion was completely unrealistic. Once again, Marks (1997) offers support for this conclusion with the earlier referenced analogy an acquisition presents the difficult reality of driving in two lanes at one time – taking care of the core business needs and managing the transition. The same lesson has been learned by others, as Ashkenas et al (1998) reported about the experiences of G.E. Capital, a subsidiary of the General Electric Company. The authors identified that a full-time integration manager, in addition to the site leader, was key to the success of the transition. One final interview comment supported this observation.

"It is unfair to have one man make all of that change – he could / should have been supported by others." (Interviewee number two) "More communication and I would have brought in more people to support this activity and changes that were going to be implemented." (Interviewee number eight)

Kotter (1996) spoke of the need to develop a guiding coalition to support and implement change. By utilizing the talents and resources available to the leadership within the organization, the probability of a successful transition is increased with familiar faces that add credibility to the process. Additional momentum can be generated with the involvement of key resources along with the addition of needed human resources required to support the change.

D.3   Systems at Work

During this study, the researcher was repeatedly confronted with the interconnectiveness of the five themes that emerged from the interview process. In many situations the author was challenged to decide if specific thoughts would be more appropriately aligned in one theme or another. Does respecting cultural differences enable change, generate respect and trust, or facilitate the opportunity for dialogues between the two parties? Is trust the

product of the implementation process, the communication process, or the style and ability of the leader? Conclusions that emerged from the research point to a strong systemic connection. It is apparent that this network appears at multiple levels, as the reciprocating effect of the initial action ricochet throughout the organization. It is interesting to observe that success or failure in one area can bring about additional positive or negative affects to another.

This research and the research of others that came before me, has identified the heightened level of employee anxiety that follows the acquisition of an organization. It has also demonstrated the difficulties that can develop in response to a troubled transition. Organizations can increase the probability of a successful transition, or at the very least minimize the degree of difficulty by paying close attention to their leadership, communications and by demonstrating a caring attitude toward their employees. The researcher has discussed how all of these items will serve as critical components toward the building of an organization's integrity. Following integral actions to realize the respect of their employees, it is incumbent upon the organization to ensure systems are in place to realize that outcome. As Senge (1990) has stated, we need to shift our paradigm from seeing parts to viewing the whole, from employees who react to employees who participate. The employees will be watching very closely, their perception of the company's actions will act as a barometer for change.

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APPENDICES

The following appendices are documents that were developed by the research sponsoring company and reproduction authorization has been secured for use in this project:

1. Appendix A : Company Vision
2. Appendix B : Company Values
3. Appendix C : People Principles: WSR
4. Appendix D : Organizational Structure
5. Appendix E : History of Safety and Grievance Activity

The following list of appendices are also included in this section and were created by the researcher:

6. Appendix F : Letter of Agreement
7. Appendix G : Focus Group Meetings
8. Appendix H : Interview Confidentiality Agreement
9. Appendix I : Focus Group Confidentiality Agreement
10. Appendix J : Interview Question and Responses
11. Appendix K : Questionnaire Employee List
12. Appendix L : Employee Questionnaire
13. Appendix M : Employee Questionnaire by Themes

SASKATOON CHEMICALS LTD.

COMPANY VISION

In the year 2010, Saskatoon Chemicals will be a regional manufacturer of industrial chemicals for a global market. We will:

◆ Achieve significant growth with a minimum average RONA of 20%

◆ Serve a broader market by leveraging our strengths

◆ Invest in business development to help sustain growth

◆ Operate in partnership with customers, suppliers and our labour union

◆ Be rewarded for being participative, accountable and productive

◆ Be an employer of choice by a diverse workforce

◆ Lead our industry in environmental and safety performance

◆ Meet stakeholder expectations through a principle-driven organization

SASKATOON CHEMICALS LTD.

COMPANY VALUES

Philosophy Statements	Continuous Improvement Principles
Leadership Leadership provides direction for the company. We are committed to a participative and creative atmosphere that develops excellence.	**Leadership** Management and Union play a key leadership role in the success of the [change] process. This developing partnership and joint sense of ownership will be a leading example for all activities. Principles will guide the decisions and actions taken within a culture of continuous improvement.
Customers Customers are the reason for our existence. Our commitment to quality products, reliable service, creative and ethical salesmanship develops strong customer relationships.	**Customer Focus** All activities will be focused on anticipating and satisfying internal and external customer needs.
Employees Every employee contributes to our success. Employees will realize their full potential and maximize their contribution within a workplace, which emphasizes employee safety and health, development, fairness, honesty, openness and involvement.	**Recognition for Results** To encourage people and drive the continuous improvement process, value added and measurable improvement will be recognized **Measurement** All activities and results should be value-added and focused on measurable results.
Environment & Public Safety We manufacture hazardous chemicals and believe our license to operate is public opinion. We are dedicated to safeguard our employees, the public and the environment in all our activities.	**Involvement and Empowerment** Participation in fact-based decision making and problem solving by everyone is encouraged, recognizing that all employees have a stake in the success of the business.
Shareholders Shareholders are the owners of the company and are entitled to a competitive return on their investment. We are committed to optimize long-term profitability and to identify opportunities for growth.	**Personal Development** Personal development is encouraged to support individual growth and the continuous improvement process. **Employment Security** The success of the business and the health and safety of all employees will directly affect employment security.
Other Stakeholders Good corporate citizenship is achieved through responsible business practices. Our policies and actions impact on suppliers, all levels of government, the CEP Union, our neighbours and the community in which we live	**Integrity** All business is conducted within all laws governing it, and we all conduct ourselves with the highest degree of personal integrity.

PEOPLE PRINCIPLES: WSR

- ♦ Joint Continuous improvement principles apply to the development and implementation of solutions.

- ♦ Solutions are consistent with corporate policy, the union constitution and national position, and the law.

- ♦ Solutions are in support of organizational improvement goals, the customer, and the business.

- ♦ Every attempt will be made to provide employees with the skills necessary to be successful in our roles.

- ♦ Solutions are in response to individual "needs", not wants.

- ♦ A span of solutions will be available to ensure that solutions are effective in dealing with individual requirements.

- ♦ Individual counselling to help decide on options and to deal with transition is offered to all employees.

- ♦ We want people to succeed and be satisfied within whatever option applies.

- ♦ Solutions as needed are available to all employees of Saskatoon Chemicals Ltd.

Saskatoon Chemicals' Organization Structure

In total, there are 16 plant committees with over 100 staff and Hourly employees acting as committee members

Automation Committee 4		Maintenance Effectiveness Committee 6
Business Development Group 7		Occupational Health Committee 8
Computer Steering Committee 8	**Management Team 8**	Stores Standardization Committee 8
Education Advisory Board 7	**Standing Committee 12**	Pensions Committee 6
Employee & Family Assistance Program Committee 7		Union/ Management Committee 12
Environmental Committee 4		Wellness Committee 6
	Quality Council 15	Work Systems Review Board 20

History of Safety and Grievance Activity

A. Safety Statistics

	1987	1988	1989	1990	1991	1992	1993	1994
F.A	113	75	65	77	43	51	40	31
Recordables	N/A	N/A	8	4	7	12	10	6
L.T.A.	13	16	8	4	2	9	2	2
Hours worked (x 1000)	204	219	256	283	291	282	292	243

(F.A.: First Aids; Recordables: increase in severity of injury when compared to a first aid – generally requiring outside medical attention; L.T.A.: Lost Time Accident where employee injury did not allow a return to work the day after the injury)

B. Grievance Activity and Legal Costs Associated with the Labour Disputes

	1987	1988	1989	1990	1991	1992	1993	1994
Grievances	12	21	10	02	0	0	0	0
Legal Cost ($C)	$36,403	$94,911	$71,763	$5,097	0	0	0	0

Royal Roads University /Sterling Pulp Chemicals (Sask) Ltd.
LETTER OF AGREEMENT

Organization Participating in the Study

Sterling Pulp Chemicals (Sask) Ltd
P.O. Box 1586
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Contact Person/Project Sponsor

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RRU Faculty Supervisor

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Roles and Responsibilities

The Project Leader and Project Sponsor agree to participate in the successful completion of the proposed project and perform the roles and responsibilities identified in Attachment A.

Project Description, Action Steps and Milestones

The project goals, process and anticipated outcomes are described in the project proposal (See Attachment B). The project proposal highlights the

activities to be completed, the study milestones and the involvement of the Sterling Pulp Chemicals (Sask) Ltd. and their employees.

Confidentiality

The RRU Project Leader/Graduate Candidate agrees to honour individual and corporate confidentiality and non-disclosure guidelines. Sterling Pulp Chemicals (Sask) Ltd. agrees to allow the Project Leader every opportunity to canvas and collect data from individuals and groups identified in the prospectus/proposal.

Sterling Pulp Chemicals (Sask) Ltd. project participants will be asked to formally acknowledge that the information they provide to the researcher will be handled in confidential and privileged manner, as described in the "RRU Guidelines for Conducting Research With Human Subjects".

Individual and group identity will not be disclosed to the Applied Practitioner or any other members of Sterling Pulp Chemicals Company.

Intellectual Property

Sterling Pulp Chemicals (Sask) Ltd. agrees that the final project report and supporting materials will remain the intellectual property of the author (Joe Moore). The commercial potential of all products will be assessed upon completion of the project and if deemed necessary, mutually agreeable arrangements will be identified to exploit the product in the commercial marketplace.

Deliverables

The Project Leader/Graduate Student will provide Sterling Pulp Chemical (Sask) Ltd. a copy of the final project report. In addition, the Project Leader will provide formal briefings to individuals or groups identified by the Contact Person/Project Sponsor.

Company Commitment

Sterling Pulp Chemicals (Sask) Ltd. agrees to provide the Project Leader with the following support: photocopying, fax, mail, phone, workspace, access to relevant records or data, access to individuals and groups essential to the completion of the project and other items identified throughout the conduct of the project.

Endorsement

We, the undersigned agree to abide by the arrangements and statements contained in this letter of agreement.

Project Sponsor   Dated   Graduate Student   Dated

_____   _____   _____   _____

<u>Attachment A</u>

ROLES & RESPONSIBILITIES

PROJECT SPONSOR

- Assist candidates in identifying and articulating the problems or issues to be examined.
- Review and provide comments on the problem description and the implementation plan (project proposal) for investigating the problem.
- Provide the resources, facilities, funds and personnel needed to support the successful completion of the project as described in the proposal.
- Where necessary, facilitate the timely collection of data.
- Review the project findings, conclusions and recommendations with the graduate candidates.
- Assess the completion of the competencies described in the candidates' project learning contract.

PROJECT LEADER/GRADUATE CANDIDATE

- In conjunction with the Project Sponsor and Faculty Supervisor, develop the problem or issue into a draft and final prospectus.
- In conjunction with the Faculty Supervisor, develop a project proposal.
- Complete the project, in accordance with the project proposal.
- Regularly communicate your project's progress to the Project Sponsor and Faculty Supervisor.
- Effectively lead the project and project team.
- Produce a draft and final project report, which conforms to the university and program guidelines.

FACULTY SUPERVISOR

- Undertake regular consultations with candidates during completion of their major projects.
- Ensure that candidates apply rigorous research methodologies throughout their project completion.
- Review and provide comments on, all drafts of the project report produced by candidates.
- In consultation with other committee members, assess the completion of the competencies described in the candidates' project learning contract.
- Communicate the success or failure of the candidate's major project report to the Program Director.

FOCUS GROUP MEETINGS

A.   Invitation to the first focus group meeting:

To: Focus Group Participants

Subject: First Focus Group Meeting

Thank you for continuing through with the focus group activity portion of my research project. I have analysed all of the interviews and gleaned the themes for the development of the questionnaire. The questionnaire will be circulated to all Saskatoon employees that experienced the transition from Weyerhaeuser Canada Ltd. ownership to Sterling Pulp Chemicals Ltd. I emphasize this point as I will not be asking for the participation of all employees at the sight; only those that were on site at the time and can therefore relay their experience of the transition from one organization to another.

Once again I will begin the meeting asking for the confidential treatment of the dialogue in this group session. All of the focus group participants were also participants in the one on one interviews. I will be asking you to sign a document that accepts and understands the ethical consideration of this confidentiality.

I will be sharing the themes and questionnaire questions for your review and consideration. I wish to have the group input on my interpretation of the essence of the interviews, and critique the questionnaire where you think it may be deficient.

I have reserved the meeting room across from my office for the focus group meeting to begin at 0830 and to be completed at 1000 hours on Tuesday, December 21st.

Thank you

Joe Moore (Researcher)

December 21st Meeting Minutes

Attendees: Al members of the Focus Group attended

Discussion Items:

1. **Suggestion:** to include a blank space in the questionnaire for written feedback.
   Response to Suggestion: I already have over 35 pages of text feedback from the individual interviews and I did not feel it was productive or necessary to continue with that method of questioning.
2. **Suggestion to ask questions like:** Desirable Characteristics of Leadership along with a selection list.
   Response to Suggestion: The questionnaire was not about identifying good leadership characteristic although questions about the leadership experience would be included. I had to remind the group that the research project is about the experience of employees in an acquisition.
3. **Comment from Focus Group:** They felt I had identified the key themes and the questions; and my thoughts were in line with the comments from the interviews.
4. No additional themes were identified.
5. The questions needed to be more succinct.
6. The questions are too wordy – also keep the audience in mind when putting the questions together.
7. Include a quantitative question on years employed with the company.

B. **Invitation to the second focus group meeting:**

To: Focus Group Participants

Subject: Second Focus Group Meeting

Hello Focus Group members,

I am trying to round up the Focus Group for one final meeting on the research questionnaire prior to distributing to the workplace. The best time that I can come up with that works for most involved would be Wednesday, January 26th @ 1630 hours; applicable overtime will be paid for those that are required to stay over

I have already circulated an information email to prepare the organization for the questionnaire
I have attached a copy of the questionnaire for you review - please keep confidential. You will note that I have scrambled the theme questions throughout the questionnaire rather than leaving them in a separate category. The themes remain the same: Change, Communications, Culture, Leadership, and Trust

Please let me know if you cannot attend at the suggested time.

Thank you

Joe Moore (Researcher)

January 26th Meeting Minutes

Attendees: One member absent

Discussion Items:

1. Suggestion to include the response scale at the top of each qualitative question page.
2. Question #9 – "liability vs asset" needs to be reworded. The participant response will have no meaning the way it is presently worded.
3. Questions #18 on decisions needs some work – decisions is to broad.
4. The researcher circulated a list of eligible survey participants – 114 employees in total.

The researcher thanked the participants for their time and input – the questionnaire will be circulated to all tomorrow.

To: _____

From: Joe Moore (Researcher)

Subject: Confidentiality Agreement for Interview Participants

What actions need to be taken to reverse the tide of organizational merger and acquisition failures that stem from the clash of differing cultures? This is the question I seek to clarify based on the experiences of the employees and company at the Sterling Saskatoon work place. By studying the Saskatoon example I am seeking to accumulate data from several individuals who are willing to share their acquisition experience. By giving voice to the experience at this location we develop greater understanding, the knowledge developed will also be helpful for others to consider and reflect upon as they anticipate or approach acquisitions and mergers within their organizations. This research design, method, approach and purpose do not lend themselves to a general theoretical concept that can be applied to others. It may however, provide some enlightening insights for consideration as well as supporting the need to explore a similar approach within other organizations. By making meaning we create knowledge for this organization to act upon. From understanding comes change.

The input of most employees is important and will be asked for when the survey questionnaire has been fully developed and is ready for circulation. Presently I am soliciting for ten individuals to participate in a one on one interview with the researcher. Participants are being selected with consideration for achieving a fair distribution from all departmental areas and employee positions; in-scope and out of scope. The researcher will analyze the information gathered in the interviews and develop themes to be used for the development of further questions. Five of the ten interviewees will be asked to participate in a follow-up focus group exercise. The interview themes developed by the researcher will be provided to the focus group, along with additional identified information to assist in the development of a questionnaire. This questionnaire will be forwarded to all employees at the plant site who experienced the transition. A thorough examination of categorical and cross-categorical questionnaire patterns will lead to a final product. Upon completion of the research in the spring of 2000, this product will be made available to the organization as a whole.

The researcher has made a number of commitments and has taken a number of precautions to ensure those that participate in the interview and the focus group are protected from suffering damage as a result of their participation. After completing an assessment of the organizational climate and

circumstances the following list identifies steps taken to mitigate concerns in keeping with the Tri-Council Policy Statement on the <u>Ethical Conduct for Research Involving Humans</u>.

1. Informed consent will be confirmed with all participants, the Union and the Company prior to commencing with the research.
2. Confidentiality will be ensured to the greatest degree possible by:
   - Researcher commitment to maintain confidentiality wishes of participants
   - Documentation within a coded filing system
   - Documentation demographic assessment to ensure confidentiality is not revealed overtly
3. The Participants will be treated with respect and dignity
4. The participants will have a shared understanding of the process, their involvement, input opportunities and the objectives of this research project
5. The researcher has acquired a signed confidentiality agreement with the University and the Company recognizing and accepting group and individual confidentiality

Please answer the following questions and sign below so that the researcher can properly prepare for the interviews and the focus group exercise.

	<u>Yes</u>	<u>No</u>
I have reviewed the information provided in this letter.	_____	_____
I understand that the researcher may use the convenience of an audio machine for recording interviews and find this practice acceptable	_____	_____
I accept the invitation to participate in the research project one on one interview.	_____	_____
If asked I accept the invitation to participate in the research project focus group study	_____	_____

Participant Signature: _____ Date: _____

Researcher Signature: _____ Date: _____

To: Focus Group Participants

From: Joe Moore (Researcher)

Subject: Confidentiality Agreement with Focus Group Participants

What actions need to be taken to reverse the tide of organizational merger and acquisition failures that stem from the clash of differing cultures? This is the question I seek to clarify based on the experiences of the employees and company at the Sterling Saskatoon work place. By studying the Saskatoon example I have accumulated data from several individuals who were willing to share their acquisition experience. Participants were selected with consideration for achieving a fair distribution from all departmental areas and employee positions; in-scope and out of scope. The researcher has analyzed the information gathered in the interviews and developed themes for the development of the questionnaire. Five of the ten interviewees were then selected by random name draw to participate in a follow-up focus group exercise. I will be sharing the themes and questionnaire questions for your review and consideration. I wish to have the group confirm that I have captured the essence of the interviews and critique the questionnaire where you think it may be deficient.

A thorough examination of categorical and cross-categorical patterns that emerge from the questionnaire will lead to a final product. Upon completion of this project in the spring of 2000, the product will be made available to the organization as a whole.

The researcher has made a number of commitments and has taken a number of precautions to ensure those that participate in the focus group are protected from suffering damage as a result of their participation. After completing an assessment of the organizational climate and circumstances the following list identifies steps taken to mitigate concerns in keeping with the Tri-Council Policy Statement on the <u>Ethical Conduct for Research Involving Humans</u>.

1. Informed consent was confirmed with all participants, the Union and the Company prior to commencing with the research.
2. Confidentiality is ensured to the greatest degree possible by:
   - Researcher commitment to maintain confidentiality wishes of participants
   - Documentation within a coded filing system
   - Documentation demographic assessment to ensure confidentiality is not revealed overtly

3. The Participants will be treated with respect and dignity
4. The participants will have a shared understanding of the process, their involvement, input opportunities and the objectives of this research project
5. The researcher has acquired a signed confidentiality agreement with the University and the Company recognizing and accepting group and individual confidentiality

Please review the following statements and sign if in agreement:

- I have reviewed the information provided in this letter.

- I understand that the researcher may use the convenience of an audio machine for recording interviews and find this practice acceptable

- I accept the invitation to participate in the research project focus group study.

- I understand and will respect the confidentiality of any discussion that takes place during the focus group activity

Participant Signature: _____ Date: _____

Researcher Signature: _____ Date: _____

Participant Signature: _____ Date: _____

Participant Signature: _____ Date: _____

Participant Signature: _____ Date: _____

Researcher Signature: _____ Date: _____

"Major Project Interview Questions and Responses"

Interview Question #1: Tell me about the culture of the organization you worked for prior to the sale. This would be the culture that the organization had evolved to, prior to the announcement of a prospective new owner.

- I was involved in an organization, while still business driven that seemed to have an appreciation and motive to explore better ways of doing things. It was a process that we developed on site. A process that was developed by the employees. It was a long process, but I believe prior to the sale in 1997, we were in many ways an empowered organization.
- I believe that we had input into the future – our ideas were valued. We weren't perfectly empowered, but in many ways we were empowered.
- There are those that are inclined to be involved and get on board early – there were others that were not interested and didn't get involved. The environment was such that if you wanted to be involved the opportunity was there.

- *The culture was one of involvement, of consensus decision making, we went through the whole effort of trying to do things the right way even though it took a long time; I can't say that we ever finished it. Now I'm just talking just prior to the sale, what we had evolved to – the involvement was focused on the hourly group, feeling that if they were on board it would be easier to make change.*
- *We left out the staff people.*
- *The culture itself, I think the people for the most part were very happy – especially the hourly, as they benefited the most from the involvement and did run a lot of the show. I think that the staff resented the fact that they were taking a back seat. On many occasions they were advised of decisions after the fact, as many of the decision were made between the general manager and the union chairperson. The effort was on the hourly as this is where the company seen the biggest bang for their buck.*

- Word that comes to my mind is a partnership. Looking for a process that gives ownership and gets buy in from the employees on the site. I'm not sure that we truly achieved that culture, but we tried.
- It definitely provided a workplace where the employees that wanted to develop themselves could move ahead in that area. Unfortunately it also allowed many of our other people that were not interested in

moving ahead to hide in mediocrity – they didn't have to get involved. There was some real good involvement; allowed our tradespeople to become involved. More employees were thinking out of the box and stretching in areas where they wouldn't have gone before.

♦ The culture was consensus based – that was the way we did things. Maybe more than we needed to be with some decisions, but none the less that is the way we were.

♦ It was a partnership – which was the whole basis from where we started. The company can't guarantee you a job and if that is what you want, then we need to work together to achieve that increased security.

♦ *The management was very much a "leaderless group" – there wasn't really anybody that was forcing the decisions. Fairly open communication, decisions were well discussed and people involved – to a fault almost.*

♦ *The business unit structure forced many decisions to that level – the units were fairly self contained so they had the right people to make them. Consensus decision making was the chosen method of the organization. Very few decisions were of an autocratic nature.*

♦ *There was a bureaucracy that developed, in wanting to be the best it seems that we wanted to be the best bureaucrats also.*

♦ Our culture between 1990 and 1995 was an extremely unusual culture – it was not the normal workplace – it was an experiment – it had nothing to do with the traditional workplace and the way work got done.

♦ We were very active in developing a new and innovative working relationship between the company and its workers.

♦ *Lot of good people with a lot of good ideas. It was a learning organization. The last year before the acquisition was a bad year – the year before that was a good year.*

♦ The company, organization was very open minded and progressive, leading toward total involvement of every employee in all aspects of the business. It was to take advantage of the skills of the employees and put them to good use for the company.

♦ I liked the involvement – everybody getting the opportunity for input in the development of things.

♦ I think we were a little loose at the other end of managing, we did not accomplish what we had hoped to do. There were too many people (like too many cooks in the kitchen) telling you what to do, too many people going in different directions, and not getting enough out of it. We needed somebody to rope it all in and get results from the effort.

- Everyone reaped the benefits of it because they had the opportunity to grow if they wanted to be involved.
- I didn't feel that the right rewards went to the right people. They did reward people, but not the people who should have been rewarded.
- I don't think we had consequences for those that did not do their job – we addressed them, but not with consequences. They were consistent – they did not hand out discipline when it was needed – never any consequences.

- *Progressive would be the first word that comes to mind.*
- *We were apt to change and people oriented.*
- *I always felt that it wasn't just a company initiative – we had put our stamp on it and they looked and stamped it also. We followed their guidelines and developed the method ourselves.*

- Highlights would be a high level of trust – cooperation. Working more towards a common goal. There was a lot of enjoyment to the job – we were challenged, involved. The company valued our input.

- *We were largely non-traditional. There was more openness to share information with all levels of the organization. People were more knowledgeable of what was going on.*
- *Many of the employees were looking forward to the opportunity to do something different.*
- *Just prior to the sale we had slipped back a little.*
- *I think overall the culture had changed – I think the key word to describe it would be non-traditional.*

Question #2: Tell me about the culture of the new organization.

- Certainly the market has changed over the last few years, so to give the new owners the benefit of the doubt there are hard business realities to contend with if you want to be around in the future. However, from what I have experienced and seen (conducted my own set of interviews) I believe the organization is more autocratic. It is a top down organization – this is a style that has worked in the past and will likely work in the future.
- I believe that people are drawing inward and not willing to expose themselves – more withdrawn.
- I believe the leadership that we had here was not open and honest – I seen it and others seen it. The hourly seen it and reacted accordingly.

Mistrust leads to labour action (not always in a formal sense), withdrawal of services in certain areas, lack of involvement.

♦ *I believe this organization still wants the involvement. The company doesn't have the luxury of time so basically everything that is needed seems to be on a rush basis. We are not the masters of our destiny here; it is always somebody else telling us what to do. When we get a direction to go we need to get there as fast as possible. That maybe the fastest way, but it is not always the best way.*

♦ *The company says they want to get employees involved, the organization spends more time fighting fires rather than spending time looking where we want to go. I wouldn't say the mentality is any different – the company thinks that if everybody does it together it will be a better result, but they don't pin their hopes on it as much. Ok, if they want to come along, but if they don't we are going to move along anyway. It is not necessary that we have the involvement or continuous improvement in that area.*

♦ *We must appreciate the fact that since this company bought Saskatoon, they have not been in a good financial state, so whether that is the real culture or more a product of the difficult times I'm not totally sure.*

♦ *When they first introduced themselves to the site, they left the impression that we are very similar, maybe not to the same extent, but their story was the same. I think that our problem was that we didn't think our world would change and it might not have changed if the financial crisis was not before them.*

♦ They are less prone to partnership.

♦ They are a far more aggressive company than our previous owner was.

♦ They are not so big on consensus – their idea of consensus is that you must agree with what I want to do. They aren't really prepared to meet you half way.

♦ They deal with what is in their face – more a sense of emergency rather than looking outward and toward a future. They say they are looking to the future with their decision, but it appears very short in comparison to our previous owners who made decisions that supported the long-term development and not just the heat of the minute.

♦ They push hard – they looked to us as a country club and I don't believe they gave us a fair chance – jaded by their bias I guess. In fairness to them, they are bottom line driven, in financial difficulty and they could not afford the luxuries we had become accustomed to.

♦ We had become accustomed to being consulted with and this changed. At my level I no longer have the ownership that I once had – the decisions are made by managers (this is not necessarily bad, just

different from what we were used to). The communication can always be better – definitely a different style. In many ways they appear to tolerate us, rather than being accepting of the differences we have. Not to say that we do it all right.

- *The decisions are very top down – more imposed. They didn't sell themselves that way, I don't know if they even believed they were that way.*
- *They didn't display the trust in people like the other organization – something like the old mentality where it is believed that people don't really want to work.*
- *The manager that the new owners moved in didn't really believe in a management team decision making process. I think he was really following through with decisions that were made by others at a higher level. There wasn't a lot of discussion – I think they could have been better decisions if they were talked through.*
- *It became very obvious they didn't believe in the business unit structure that we had on site. They wanted a manufacturing site, not a corporate entity that made decisions. This was a real shock to the people at this location who were used to making the big decisions and choosing direction for our location.*

- On the traditional side where we all have jobs to do and hire people to do them.
- It is a cultural of expectations – the buck stops here – we will have discussions and when it is time to make the final decision, I will make that decision and we will get on with it.
- What it boils down to is at least you have a line of authority to deal with.

- *Before we got to know them, they appeared to have a culture that was similar to ours – that is what they said. What they have demonstrated is that they were not like us in any way.*
- *I think they have a lot of good ideas – I don't think that they have a culture – a culture is a way of doing business and I don't know how they do business. It is a progressive way of doing business and I don't think they are progressive like our previous owners.*
- *Sterling hasn't positioned the company for the future – they shoot from the hip – fly by the seat of their pants.*
- *They don't want to take any chances – explore something new.*

- One good point is they are more involved with the safety of our site – they make a very strong, firm stand on safety.

- They view people as a liability and not an asset – the fewer people we have, the better our organization will be.
- They didn't look at the value people brought, just another pay stub to get rid off.
- I think they could do better if they focused more on the people things.
- It is in survival mode. They think small so they will always be small. That is how this company works.

- *The new owners are a very traditional organization.*
- *They are not high involvement, even though they say they are. From my experience they speak of the involvement, but don't have the mechanism in place to support it. The majority of the people here believed in the process we were in during the previous ownership – I don't dispute there were some faults to the process that needed correction, but overall it was the right way to go.*
- *I don't know what it means to be an employee of the new owners– it seems to me that the new company is a bunch of contradictions. I don't know what they are about; they change their hat every five minutes. I don't have a clue what their culture is.*
- *I can read things on vision statements and policies, but they don't match up with the actions of the organization. It would appear to be a piece of paper and if as an employee or organization we happen to do some things that follow the piece of paper then they say it is part of their vision. It would be better to have nothing on the wall than to have policies and a vision that you do not follow. We think they are just a bunch of liars when they do this.*
- *The new owners are a want to be company – they want all of the things that come from a good relationship, but appear to be inexperienced in how to achieve it.*

- It's certainly different. It is one of trying to do the right thing, but from our perspective it is viewed as desperate. Trying to do things, but not doing them very well –not really ending up doing it. Kind of a want to be culture, not doing what they say they would like to do.
- It is not very open – in fact I would say it is secretive in some respects.
- I think some decisions are bordering on cynical.
- I think they perceive themselves as something different (want to do the right things, be something else), but the culture doesn't really allow or support that transition to take place – it is not really engrained to the point where it can become real. I think the Star Award is a good example of this – they are trying to do the right thing, but using a method that doesn't support the culture you want to achieve

Interview Question #3:   How are the two cultures distinctly different?

♦ I believe the previous owners supported the infrastructure required to address items beyond the issue of the day. I guess we had the luxury to do these things – I realize this costs money and the new company doesn't have any; however, I believe it will cost us down the road and I believe this is a distinct difference between the two companies. You can't focus on the future if you only have the resources to meet the issues of the day. Making plans – looking beyond doesn't seem to be what happens around here at all anymore.

♦ *Very politely put, the new owners manage the situation and the old Saskatoon culture was to provide leadership and direction rather than control. They are very hands on. The cultures are really different from the fact of a management committee in Toronto – they run the company and it is not the site manager. From my experience, the plant manager may want to do something and the management team may listen, but if they don't want to do it they are really more lending a deaf ear to the proposal and then act in an autocratic way by saying no, let's move on now.*

♦ One additional thing I am thinking about is that I see significant changes in all organizations around the world so I'm not sure everything I say is truly a difference between our companies as much as it could also be a change that all companies need to make to survive. We are part of a chemical manufacturing company now, so I think that is another thing we need to keep in mind – we were allowed (as part of a larger pulp and paper conglomerate) to do some different things.

♦ Interesting that the new organization perceived itself to be very similar to our previous owners – on paper it might look that way, but their method of discharging those beliefs are very different.

♦ They are a Texas company and that comes with a set of values and principles of its own.

♦ We are now a manufacturing unit and not this corporate entity as we were before.

♦ The previous owners always looked at putting something back into the province besides the wages and taxes they pay, more of a corporate citizen. I don't see the new owners that way – they approach it different, like a company that takes. I know they are smaller and it may not be that easy for them to do so, but it would appear to me that their philosophy doesn't support that behavior also. Being from the prairies and more social minded I would say, this sort of bothers me.

♦ *Important to recognize that our previous owner's culture also evolved – pre 1989 was a period of time when the company believed the workers did not have input into the organization.*

♦ *Looking for another way of working with the employees, they viewed us as a small enough organization that workplace experimentation could take place. Input went to the high end and employees were actually beyond input and into making, seriously influencing decisions.*

♦ *We wanted to get things done (good intentions) when owned by the previous company, but it was very lassez-faire, fine if you can afford that system. If you can't afford it, then decisions have to be made and implemented.*

♦ *The new owners will still ask for input, but firmly believes that they make decisions and do not give that ability to the workers. We want the input, we will have the discussions, but we are ultimately responsible for what happens and must be sure that the decisions that are made can be lived with and do conform to the corporate policy.*

♦ The previous owners realized that to establish a culture, you need champions to build that culture; that means identifying people to lead it. The new owner hasn't demonstrated the desire to do this – they haven't yet – maybe they will in the future. If I was to ask who is looking after these things, they couldn't answer with a name – basically nobody is. To have a culture you have to put people in place to support what is important – the previous owners did, I could always find out who was tasked with the lead. The new owner just puts up words – the previous owner supported the words with resources and action. You could really work with the previous company – I don't know how to work with this company.

♦ *Sterling is very traditional.*

♦ *Before we were progressive, looking to the future, thinking out of the box. It is almost as if we jumped into a time machine and went back 25 years. It is not the way to run business today.*

♦ The current company has not been as open around policies – maybe they want to be, but it doesn't come out that way. They are not as open as the previous owner was – the January 1999 lay-off is a good example of that. We knew about these things in advance of the action when under the previous company ownership.

Interview Question #4:   Do you carry any resentment toward the previous owners for selling the company?

- ◆ Resentment! Ah, no. I don't resent the new company for buying us either. I was a little disappointed. I understood it was a business decision. As much as we want to focus on people and want to do the right thing, you can't kid yourself, in the business we are in the bottom line is very important and a company must make decisions around what is best for their business future. I have no resentment.

- ◆ Absolutely none! It was a business decision – I knew we were for sale since 1990, they were clear about it. Maybe they didn't go out and market us, but they clearly told us that we were not core business and did not fit in long term.

- ◆ None what so ever.

- ◆ No – it was a good valid business decision.

- ◆ No, not at all, that is the normal course of business
- ◆ We had known for a number of years that Weyerhaeuser intended to spin us off some day – they told us exactly that – they weren't actively shopping us, but they wouldn't let an offer go buy without taking a good look. We knew it was coming, it was just a matter of time. People all knew that, they should have also understood it.

- ◆ None what so ever. I always knew we were not core business. They were up front about this and I knew it from the beginning. There was no surprise here.

- ◆ No, not at all.

- ◆ Yes – somewhat – not a whole bunch. They always said that we were a model, we were a test bed for different initiatives, being that we were a smaller organization. For them to just turn around and sell us for really no reason other than we were not core business. We gave when they asked us to, like work systems. We did a lot of work and deserved better treatment. I just think they could have presented the reasons for selling us better. I understand how business works and think they should have treated us with more respect around this sale.

- ◆ No. The only resentment that I have is that we were sold to a company that did not have values that resembled our values. The new owner talked a similar culture, but didn't walk it. I don't harbor any

resentment toward them for selling us, just don't tell us they are just like us, when indeed they weren't like us at all.

♦ No.

Interview Question #5: Tell me about the communication process to the employees during the pending sale process leading up to the sale of the facility; when the prospective buyers were tire kicking and working through issues with the owner at that time. Did you feel informed? Were you provided an opportunity to be involved? Was the process open with regular updates to all?

♦ Yes, I felt informed, not to the degree I would like to have been though. I'm not sure what else I needed to know – I had many questions that were specific to me and it would have definitely made the situation more comfortable if I could have received answers.

♦ The one statement that was repeated throughout the sale process was that they would not sell us to anybody that did not share similar values and they felt the prospective buyer was a company similar to us – quite frankly that was a crock of shit. I don't see any similarity between the philosophy we experienced before and the one I have experienced with the new company. The new owner touts a certain line (like ours), but I have yet to see it followed.

♦ *Yes, I was informed – probably for two reasons – I held a position that received more information and demanded more involvement. I wasn't involved at the onset and during the negotiations, but I was involved during the transition.*

♦ *I think the temporary general manager for the previous owner during the negotiations, shared what he could share with the employees. There were likely things he could not discuss – sensitive items that were part of the negotiation between the two parties. Right down to the final days it was not clear that we would be sold because I understand that the previous owner was very tough with what they wanted for the employees.*

♦ Actually I think they did a pretty good job, as well as they could when you accept that there are bound to be some things that could not be discussed as they were very confidential and key to the sale. That was the way of the previous owner. Anybody thinking we had the right to know everything because we worked for them should give their head a shake. I think they handled it all very, very well. I would attribute

most of that to the previous owner and their desire to keep us informed.

- *We were informed very early that there was a serious offer to buy – I had a lot of trust with the previous owners and their Saskatchewan division manager; to his credit he came out to the site and informed us.*
- *I wasn't directly involved in much of it, but I was well informed of what was happening.*
- *The new company representatives felt that our cultures were very similar because we had the same words in our policies and vision, unfortunately they didn't put the same weight on them as the previous owner did. They saw the words in the prospective buyer policies and took them for face value, thinking that we had similar or the same values.*
- *I think the previous owner was very fair.*

- Once they had made the announcement that there was a potential sale and they wanted to go public; as a worker I felt informed.
- I could make comparisons to the three of four other times that we had been sold in the past and we knew absolutely nothing about it until after the sale was completed. Yes, as an employee I felt informed.
- I was involved in presenting how we did business – our culture – some of our processes, but nothing to do with the business itself, which is really quite proper in such a transaction.
- The anxiety created some problems – the employees are looking for information when there was likely no information to share. We were anxious and needed to here something – when there appeared to be a void – longer time between the last communication session – the employees needed to hear an update even if nothing was happening. Before long people start to manufacture a concern and feel that they are not informed.

- *It was handled about as well as it could be.*
- *Disappointed about the information on the new company – felt it could have been much better from them.*
- *Whenever I asked, I think there was a good effort to get an answer to the questions. I thought the temporary general manager was a little slippery – maybe there were things that he was not at liberty to release, so it is difficult to be to critical.*

- I was well informed. I think they were up front about the sale. We all knew that we were not part of the previous owner core business and some day the time would come.

- I didn't get much of an opportunity to be involved, but I'm not sure I needed to be either.
- I didn't have a lot of questions that I needed to be answered; most of the information was given.

- *I would say no to all of the three questions you asked on communication. I found out when I came too work one morning and read the notice on a bulletin board. To be honest, I thought it might be positive, being owned by a bigger chemical company.*
- *There was not enough communication – it was inadequate – more would have been better*

- There was some secrecy of course. We asked many questions about their culture and it seemed to us that the deal was not going to be stopped despite the concerns that we expressed. I kept hearing them say that part of their culture and values were in the embryonic stage. In other words they hadn't really done anything about it or to support that item, but they thought it was a good value. In fact, there were many things that were in the embryonic stage with regards to their culture.
- The information was not open, as it could have been. There were communication sessions, but they were inadequate from my perspective. Even though you couldn't say the present owners were like the previous, we were told that so often and we came from a very trusting culture, I tended to believe what I was told. My instincts told me otherwise, but like I said, we trusted and therefore we accepted to a large degree.

- *I would say the communications were good overall. Very few have all of the information beyond those people that are part of putting the deal together. I think they tried to keep us informed – the previous owner brought in a guy to serve as a contact person to assist with the communications and more. His job was to deal with the people issue – whether you liked him or not, that was his job and he did it fairly well.*
- *I think we were all a little suspicious of the new company. Very soon after the changeover it was very apparent that the cultures were distinctly different.*
- *The knowledge / communication itself was good. The process (communication) was reasonably good. The fact or credibility the previous owner communication was questionable even at that early stage.*

Interview Question #6: In what way has the new company impacted you? How did your world change? Please expand your response with as much depth and breadth as you wish.

♦ My attitude has changed – where I would once do the extra things, I don't feel like doing them anymore. I don't have that feeling of wanting to do that extra. This is now a job, with the previous owners it was a career. I enjoyed it; I liked coming to work. I had the feeling that I was adding value. I don't feel like an employee of the new owners, I am working for them, that's all.

♦ After the lay-off the morale went way down, suspicion way up, personal credibility way down. After the lay-off you are on pins and needles – you don't know what to count on – it affects your personal life at home. You ask what's next because there didn't appear to be a lot of rhyme or reason for the decisions that were made and therefore I could not rely on future decisions to be any better. So it affected my work life and my home life which indirectly affects my work also. My faith in the company for their handling of the down sizing suffered – you could not get credible answers to the questions.

♦ *From a personal perspective it has been a good change for me.*

♦ *As far as decisions, well the culture of this company is different and so still doesn't have a lot of autonomy. If I had this role with the previous owner I probably would have more autonomy. That doesn't really bother me – I just need to know the game rules. I feel comfortable challenging the people I worked for in both companies.*

♦ First thing that comes to mind is I had some good friends that I no longer work with due to the lay-off. I pride myself in being able to get beyond that, although I must admit I found it very difficult to get beyond that. I still get support to do my job, although it may not be as good as it was before.

♦ I think in some ways we have taken a step backwards in how decisions are made – consensus decision is gone and we are back to the more traditional way of doing things – I see myself eroding toward the traditional way. It may not have been the company that necessarily wanted it that way and might have had a lot to do with the leader they brought in. In any event they have to be considered responsible for what the GM is advocating.

♦ It is hard to be enthusiastic – the present general manager said work should be fun and I agree with him. It is not easy, damn tough when the stress is at a high level all the time. Competitive pressures, power price increases tend to take away hope – with such a big hurdle to overcome, sometimes I feel like it isn't worth trying anymore.

- *The immediate change I was quite happy with. It hasn't quite worked out over time – they don't value their employees totally – they only value their time at work. They don't consider that a person who has a full life is a better all round employee. They look for the person who spends long days at work (at the desk) – they manage this by an accountability process – checking up all the time.*
- *I was no longer involved in major decisions – the lay-off was a very good example of this.*
- *All of this has taken away from my quality of work life and my home life – I felt immense pressure, angst with this company and still do.*

- As a worker in the trade I don't see much difference in the work I am doing. I do see a significant change in the way we do things – I now know whom I am accountable to and whom I should be reporting back to. I find this better than the way things were with the previous owners.
- We are a now a chemical plant owned by a chemical producing company and we have a much better opportunity to grow our future and become everything we envisioned in the past, but was likely never possible if we stayed with the previous owner. I think this is a major point that has been missed by a whole lot of people – many union and staff employees have missed this point.

- *The downsizing has definitely raised the expectations of those that remain – we all have to work harder. The new owner has put high expectations on everybody.*
- *With the previous owner we had a vision of how we would work together and that was all cut down. It was challenging and stressful, but I think it would have delivered in the end.*
- *The new owner keeps people on the edge – you don't know where you stand – don't know if you are going to have a job tomorrow. It is short-term thinking and won't serve them well in the long term.*
- *You don't have a sense of future – I have lots of seniority so I have pretty good job security myself, but there are very many others that are less senior and you never know what they are going to do next.*
- *I can understand that there are no guarantees, but we do need some solid ground to walk on. If the ground is like sand, always shifting, there is no stability. People don't want to pitch in to get things done – they feel if they work harder that the company will lay people off as a result.*

- The lay-off was done in a way that was fear mongering rather than being up front, communicating directly.

- *Job security! Don't know how long I will have a job.*
- *Involvement! ISO (quality system), Safety initiatives, work systems, Automation Committee. I knew that was all down the toilet. From my perspective it was lost opportunity. I didn't want to be an operator for the rest of my life and these were extra opportunities that would help me, not hurt me. Those aspirations are not there now. Under the previous ownership I had the opportunity to self-actualize.*

- For me it was a tough transition. It took me a long time to a accept what was happening because I believed so much in what we had been doing I found it hard to accept the realization of what was going on.
- Even though our numbers (employees) were going up, so were our profits and I believe it was because everybody was doing that extra little bit to the benefit of the company. I don't have the feeling of wanting to do that extra little bit. To me, an analogy of how the new owners vandalized our organization is like being proud of a new shed that you had built, and watching somebody come along and tear of the roof, tear of the siding, break the windows and so on. That is what it feels like when you have your culture torn apart, even though it might have been just a plain old shed (culture), you had attached and were responsible for all of those little things that make it a pretty solid building. It is one thing to tear it down and make it different, but it is another to have it vandalized at night, slowly and insidiously torn apart, and you don't even see it happening because it is dealt with in a less than integral fashion. There is a sense of pride in what we had done here and a sense of violation in what we see happening.

- *I'm not happy about being at work. I don't feel like I have much to look forward to as I come to work each day. Certainly from an opportunity perspective, there is much less with the new company.*
- *The old company was very big, and you knew that there was opportunity out there.*
- *Personally it has affected me negatively – employee reductions are tough to experience*
- *The stress level is high – never knowing when or if they will decide to cut your job next*
- *I am stressed, have little job satisfaction and have become very cynical about the company*

Interview Question #7:   Explain how you felt and what thought(s) went through your mind when first becoming aware of the potential sale of the facility to a new owner.

♦ I was a little shocked I guess although I shouldn't have been. It had been discussed before and we knew we were not part of the core business – we were a bit of a social experiment I guess.

♦ *Actually I didn't want it to happen. We were quite comfortable in our role. I wondered if the new owners were going to clean out the whole management team. The previous owner was a pretty classy operation and I didn't want that to change.*

♦ Actually I was excited about it. We always believed that we were lost under the previous owners – different business focus and all. It was really tough being sold by them, being a large company there was lots of opportunity.

♦ *There were two emotions:*
   ♦ *The first was great. Now that we are going to be owned by a Chemical organization, people who think the business - we will have different opportunities that we could never have had before. This was the most prevalent thought.*
   ♦ *The second was concern – I worried about having to transfer or possibly even loosing my job when the new company took over.*

♦ I really don't recall at this point. It did not frighten me – I knew there would be changes. I viewed it positively, being owned by a chemical producer that is. I was concerned for the systems we had in place – they were far from traditional and I expected there would be changes, people would get hurt, there would be downsizing. There had to be downsizing - the systems we built over the period of time that the previous owner was here were not sustainable.

♦ *I can't feel bad, because we were told it would happen sooner or later. I wish it wasn't going to happen. They gave us a lot of opportunity – they looked at what we could be and gave us a chance to do it. It was still stressful, but very enjoyable.*

♦ A little apprehensive. You don't know what you are getting. Employees did research on the new owner and they didn't appear to be a great company.
♦ On the other hand we have been a little loose around here and from a business point of view I thought it might not be to bad – something we

needed. I that that they were going to tighten up the ship; and if they didn't I feared they would slice us up (the three separate product lines) and sell us off.

♦ *Surprised obviously. First thought that it might be positive, then I got angry because I viewed the sale as a reaction to the negative people on this site. The negative people got their way; this is what I was thinking. They fought the changes we were trying to make at this location and it was just too much for the previous owner to stick with us. (This would be in reference to the most recent vote when the in scope employees voted down the Work Systems Redesign that the organization had been working on for the last few years).*

♦ I had some apprehension. I believed in the culture that we had developed here – I worked hard to support it and I believed in it. With the unknown, there is always the fear it will change. We can do things differently with the same kind of attitudes, values and goals and that would be fine. I was afraid that what we had spent eight years in building would be wiped out.

♦ I wasn't scared of lay-off and shutdowns, I just didn't want to go back to the experience leading up to the strike in 1989 (Union went on strike after several years of experiencing a very hostile relationship). Most unfortunately, my fears have for the most part come to be, and we are once again entering a difficult and strained relationship.

♦ *It was not a surprize – we had heard of the potential many times in the past.*

♦ *I think the union election result (swing back to more traditional executive) was part of the reason that they sold us. I predicted that they would spin us off within six months of that election and sure enough, that is what happened.*

Interview Question #8:   Did the acquiring company present themselves to the new employees? Were they open and was there adequate information shared? Regardless of whether you agree or disagree with what they shared, did they do a good job of presenting the new owner?

♦ Yes, they attempted to do that. Did they do a good job? No. They conducted a number of interviews and communications that I attended. I saw a hard business front. They tried to present themselves as more open, but you could see it was a put on, it was

forced, not to be trusted. They were straight business; I didn't see openness.

♦ *To the employees in general they went a step further than when the previous owner bought the operation. When they came to talk to the employee, to show what they had to offer the employees, I was quite impressed with them.*

♦ At the beginning I think there was – benefits, etc. I don't think they tried to keep us informed. I believe their attempt was to be open. I think they saw some real strength in this location and wanted to capture them. However the pressures of business and mounting financial trouble probably didn't allow this to happen the way we all would have preferred it to. Maybe the more they seen about us convinced them that we were not the same.

♦ *In some ways I think they were dishonest or self deceived. It was definitely a mixed message when they presented themselves. The talked the talk of values and principles similar to ours, but there was mixed messages in their delivery which came through the talk. As a result there was a strong disbelieve by myself that they were what they said they were. I guess they can't escape themselves and their true personalities were seeping through the presentations. As it turned out, we were correct in our assessment of them, and their walk did not match the talk. Nice on the outside, but not so nice on the inside.*

♦ From the first meeting it became obvious to me that the type of openness we were used to and had become accustomed to was different. They were guarded, more careful in their discussion. I view this as part of the way that they do business and think it is part of their culture, we get input and make the decisions at the higher level of the organization.

♦ I am not disappointed in what I have heard from them because I sensed it was clear from the beginning that they do business different than the previous employers and I think they have demonstrated that. Certainly, their words told us that they were very much the same as our culture, but I didn't really think that would be the case from my intuitive assessment of their style.

♦ *They talked about their vision and so on, unfortunately it didn't line up very well with their actions. Never have seen their five-year vision. They want to be a top-level company, but I don't think they have a clue what it means to be at the top.*

- I didn't have too many questions about them – I didn't have a lot of trouble with what they were saying.
- I didn't understand the highly leverage position that they were in at the time.

- *They presented themselves, as a bunch of good guys – didn't give us any idea of their plans, vision, etc.*
- *Nobody even told us about the changes; we found out after the fact or when somebody submitted a receipt for reimbursement for something and was then told that we no longer support this item. An employee needs to know what is happening.*

- I don't feel that anyone on this site was well informed, if management was they did a poor job of leading us.
- Prior to the sale being final, the new owner told us they liked what we were doing here, we heard that they don't believe in lay-off, we heard seamless transition, we heard that we really want to learn from your experience. After the sale was final things started to be whittled away.

- *I think the new owner could have been more open about their policies. Something that clearly pointed out the differences between the two companies. It would have been nice to know these - that wasn't done.*
- *I don't think they were open – they were more concerned with putting their best face forward.*

Interview Question #9: How significant a role and what degree of influence does the general manager have once the sale of the organization was final and the transition to new ownership had begun?

- I think it is of paramount importance – especially during a transition from one culture to another – one set of guidelines to another. The leader needed to work with the management team to develop a plan for transition. It is the focal point. Especially coming from the new company – he needed to structure our company in the way of the new owner. I think he needed to understand us first – I didn't see that. I didn't see new policies – just fluttering on the item.

- *It is a critical, critical area. First of all he is the person representing the company coming in – we know little about that company. He will portray the good and the bad of the new company. We keyed on what*

he was saying and took that to be the way the new company acts. You really should take a lot of time when selecting a person to come into an acquisition site.

♦ I think leadership is absolutely the most important thing. The leadership we seen came in the source of a person – one leader. He introduced the new company to us.

♦ To me, strong leadership takes whatever needs to be done go the best it can possibly go – it will be done the right way. Bad leadership leaves a bad taste in your mouth and it is difficult to get over.

♦ You can capture the hands and that is one thing, but a strong leader will capture the heart of the individuals.

♦ *It is really crucial. I think another crucial thing is the leader must know what his mandate is. If he was going to restructure, the leader should know what he has to do. Leadership is absolutely crucial.*

♦ *During an acquisition, the new leader is viewed as a representative of the company and his behavior will be seen as what is valued.*

♦ From the time the sale was completed the leader that fills the general manager chair has a very difficult task. The leader is the person who is going to make the switch from the previous owner's attitudes, behaviors, and philosophy to the new company. The people skills must be very high; these skills are more important than the administrative skills. You can either do it with a very heavy hard hand or you can take the position of identifying the differences and telling people we need to go from here to there in this period of time. I don't think the after the sale time was looked at as well as the before the sale discussions, I don't think companies do a very good job of that.

♦ The communication was different – there were a lot of people that balked at how the new communications were delivered, which made the communication problem worse. They would not accept the philosophical change and therefore would not participate.

♦ The situation kind of reminds me of a union that goes on strike. It is easy to go on strike, it is general easy to negotiate an end to a strike, but very few people think of the on going damage that remains well after the strike is settled. Similar, not enough thought is given to the time after the sale is complete.

♦ *Critical – critical – no question. Whatever the corporate people wanted this company to become, I would look to the new leader to facilitate those changes into the organization. I expect that leader to say this is what we are going to become and this is how we are going to get there.*

◆ Critical. You need a leader that ensures decisions are made and we act upon them as an organization.

◆ *It was critical – especially with only one person coming. He basically represents the new company and what he does is viewed as how the company is.*
◆ *He was behind the eight ball to begin with because the new company entered under a negative light. Everything he did was being watched and assessed.*

◆ I think it is very important. People want to get as much information they can get about the new company and the transition.

◆ *Good leadership would have made a big difference – I think it could have been much better.*
◆ *The role of the general manager is a key role – it is very important.*

Interview Question # 10: Give me your perception of the attributes and opportunities of the general manager at our location with the previous owners, and of the new general manager that was relocated to this site by the new owners. Some things to consider would be, proactive or reactive, delegative or directive, and decisive or indecisive. Feel free to expand the description as you see fit to adequately describe the two leaders.

Note: Employee responses to interview question #10 have been modified to a substantially different report format. In balancing harms and benefits and staying focused on minimizing the harm to others (Tri-Council policy Statement: Ethical Conduct for Research Involving Humans) the researcher has decided to report out the responses to question #10 in a manner that does not violate this ethical concern and still maintain the integrity of the product to the greatest degree possible.

A. Constructive Leadership Characteristics:
   ◆ Must have high credibility
   ◆ Must be trustworthy
   ◆ Must be fair and considerate
   ◆ Empowers others, provides opportunity and utilizes available talent
   ◆ Clear and open with what is wanted from the organization
   ◆ Strong people skills and is visible to the employees - easy to approach, courteous, respectful
   ◆ A very good oral communicator – also listens well and genuinely considers what others have to say

♦ Very professional, structured, organized
♦ Strong belief in accountability

B. **Destructive Leadership Characteristics:**
  ♦ Lack of credibility leads to mistrust
  ♦ Responding elusively, does not deliver a straight answer
  ♦ Poor people skills and not being visible to the employees - difficult to approach, discourteous, disrespectful
  ♦ Lacks a good business sense, non professional conduct, unstructured
  ♦ Lacking confidence
  ♦ Not being open and up front with the organization
  ♦ Lacks clarity about the direction and expectations
  ♦ Indecisiveness – allowing things to drag on with no conclusion
  ♦ Failure to utilize available talents and resources
  ♦ No support for ensuring accountability at all levels

C. **Differences in Leadership Style Derived from Interviews:**
  ♦ The two leaders displayed significantly different levels of confidence
  ♦ The two leaders supported significantly different levels of accountability within the organization
  ♦ The two leaders supported significantly different communication frequencies
  ♦ The two leaders displayed significantly different oral communication skills
  ♦ One of the leaders supported consensus decision making and the other supported autocratic consultative
  ♦ One of the leaders was viewed as much more controlling than the other
  ♦ One of the leaders used delegation more effectively
  ♦ One of the leaders spent much more time on the floor with employees

Interview Question #11: How would you describe the organizations change orientation prior to the announcement of the potential sale to a new owner – was / is it status quo or innovative? Managed or unmanaged? etc.

  ♦ We have varying degrees of people when thinking of this question. We have demonstrated the ability to change. We were not an organization that was ready to change or any better than another organization to this regard. I think you had a core of people, leaders in this area, but

we still had a group that would not change — they were very traditional and did not want change.

- *I don't think people were very accepting of change prior to the change in ownership. If there was an urgency, we would move some things, but for the most part unless people got money in their jeans, they weren't too interested in the change.*
- *My recollection was that if the company wanted to do something and the union disagreed, the union would simply say no and that was the end of discussion. I don't think the union was open unless it was to the good of the membership.*
- *I don't think the salaried people were very keen on change either. I don't think it has changed since the new owner arrived either, it has just come more to the forefront because they push ahead regardless of the comments.*
- *I think there are some individuals open to change and over the years we managed to do some pretty creative things - one or two people in the organization drove them. Now that the new owner is here and we have to change I don't think the reaction is much different.*
- *I experienced a lot of generous comments that described us as very special and unique, although I struggle with the flattery because in most cases the change was backed by a fat wallet and the hourly benefited big time without the company having the same level of improvement.*

- I don't think we led the pack — we led in some aspects — we did some really good things. Hindsight would tell me that we were a little full of ourselves, go on trips, tell people how well we were doing.
- There was actually a lot of frustration at the site at that time, we started many things, but didn't finish them.
- We got enthralled with the initiative itself, instead of getting on and completing things. We had to overcome that no matter who owned us.
- We were always moving on to new, when we had not completed the old. I know the leaders felt that was the case and they were working hard to close some of these things. We can't always be looking outward; we needed to spend more time looking inward and auditing how we were doing.

- *Our ability to change was probably poorer than many organizations. The process was such that we needed consensus, and the end product (if there actually was one) was always very diluted from what was needed.*

- I think we have a much better opportunity to implement change in the present organization than before. I think the experimenting did not set us well and did not truly gear people to change. We were not leading - if we were and it was solid and on a good foundation, we would still be doing that. We have not done well since the sale and sometime before – change to the new organization should be easy if that was the case - it definitely hasn't been easy.

- The change we are dealing with now is more solid and decisive. That is not to say that people like it or understand or want to understand it. That is what makes the difference in change – understanding and I don't see employees attempting to do that. The new owner has bought an organization and made significant change, and by those changes I see some long-term commitments – it has set us up to meet the economic future. Unfortunately much of what they are doing and decide is driven by debt load, none the less I believe we will be a much more solid organization. No more experimenting and taking forever to accomplish it. Decisions have to be made and more now than ever they need to be made more rapid and delivered upon. If we don't do that we will wither and die.

- *Up to the sale I think we were doing very well with an organizational change aspect. We never got it finished unfortunately, but we were going the right direction.*

- *People are normally resistant to change. I think we had a number of leaders and we were going the right direction. We had a small resistance with a pocket of people and didn't deal with it fast enough – definitely made a mistake there.*

- I don't think that we have ever been risk takers. We did a few neat things, but we were definitely not risk takers.

- *I think that was one major problem with our organization. We always strive for perfection before we seen the job done and implemented something. We ripped our hair out for the 10% - wanted to please everyone. We spent too much time and energy worrying about the 10% and not focusing on the 90%. Always worried about that negative voice and concentrated on them, we didn't reward the positive people and put our energy into them.*

- I think we were risk takers before – just look at what we were doing in going across North America. There is risk anytime you try something new. We tempered the risk with the collective agreement. I am not a risk taker anymore.

- I think our change was managed – but the pendulum had swung to far to the abstract and we needed boundaries from the leadership. We couldn't continue to fumble along without having a clearer understanding of the end.

- *I know that we were far, far ahead of anybody else. Never mind the work system redesign and that part of it, just in the operation of the plant day to day I would say we were ahead. We empowered people on the site. When I talked to others (off site organizations) they were talking about the struggle to survive as a company, as a union, the difficulties were huge and then when it was our turn to report, everybody just shook their heads in disbelief. Everything was paid for (union meetings, education) and the other organizations were fighting for little things.*
- *People were entrusted to make decisions – far beyond 90% of the workplaces.*

Interview Question #12: In your opinion what major mistakes were made during the transition that had a negative effect on the outcome? The transition is considered the period of time from the first announcement of a potential sale (before the prospective buyers appeared on site) until one year after the sale was finalized.

- Not being completely open and recognizing the fact that we will have differences.
- I believe that they had a leader with the wrong style to lead the change.

- *I think the new company tried to emulate the previous owner and talked about how seamless the transition will be – I don't think this is a good strategy as it leads people to believe that nothing much if anything is going to change. I think the previous owner wanted that for their employees. The negative affect is the employees who say, "they told us this and they told us that." People have a tendency to read into it what they want to read into something. I think they wanted to make it easy for us by saying we are the same.*

- I think we were a little arrogant ourselves, but I don't think the new owner took the time to understand us; nor did they have people here who wanted to understand us. Time to tighten the reigns and get on with it.
- Lack of respect for something that was near and dear to us – consensus decision making.

♦ They didn't utilize the resources / talents they had available

♦ *I don't know if they had a transition plan in place – it would appear to me that they did not have a plan. If the downsizing was truly a result of the economic difficulties our parent company was facing, the plan that should have been developed might not have been followed anyway.*

♦ *They should have been more up front at the beginning and communicated that changes that would be taking place. They should have said this is the way we manage, this is who we are, and this is where we are going. I may not have liked what they had to say, but at least I would have respected the approach.*

♦ *I would have built the management team first and then used them to make further decisions, this would have built the team also. If management is always wondering who is going to remain, it is difficult to build any cohesion within. Hard to make decisions on the future of the organization if you don't know what future you as a manager have. Just how long can a company stay in limbo like this?*

♦ *If it was managed chaos, you would at least have a vision / direction. I couldn't even call our situation managed – it was definitely chaotic though. Decisions were made that could have been made much earlier and everything appears to be so inconsistent.*

♦ Probably one of things during the sale is that there should have been a halt put to some of the incomplete items. I know they wanted to leave the impression that a number of these things would not change, and wanted to have a good impression so they left them go on. The work system item was completed and was implemented, and then after the last reorganization it was essentially done away with, so I question why we ever proceeded in the first place. There are still a few minor things remaining, but nothing significant.

♦ Corporate policies – should have been more open about what they were about – more so than just a few philosophy statements that was placed on the wall.

♦ The lay-off was dragged out too long (eighteen months). There may have been a number of factors that influenced or interfered with the speed of change, but I think they should have got on with business. If they didn't know what they were going to do, they should have been working hard to understand and at least had some solid thoughts in this area. The surgery is never pretty or easy, but if you have determined that you are going to do it, get on with it as expediently as possible.

♦ *They did not look at the systems that were in place at our site.*

- *Didn't think much of the new leaders style.*

- Need a leader that was up front with the employees – somebody who carried the message - we are going to do things differently.
- People doubt what the new company is going to say – they are basically an unknown – so the leader that comes in is critical to establish trust.
- Somebody who would create that sense of security – demonstrate credibility – if you get caught not being credible, everything just snowballs downhill after that.

- *They didn't take a good look at how we did business. I think they formed their perceptions very quickly and felt that much of the activities at our location were a waste of time and went about getting rid of them.*
- *I think they under estimated the intelligence level at this organization, they viewed us as a bunch of blue-collar idiots.*
- *They were not perceived as a caring organization – they were perceived as a hack and slash organization and they lived up to their reputation.*

- The biggest to me is the lack of honesty and the contradictions. Once you contradict yourself you have set yourself up as a liar. I think they knew that we would have employee reductions from the onset and did not want to let us know about them. If they felt it was necessary, I may not agree, but at least I knew that they were open and up front about it. They would have retained their integrity.

Interview Question #13: If you were the new owner, how would you conduct the transition? Would it be different than what you experienced at this site?

- I would seek to understand the culture prior to the purchase – of course I would look at the business end in great detail, but I would have a congruent activity going on to understand the culture. What made it successful? I would seek to understand the business and the people. Maybe an outside consultant would be helpful. I would look for alignment and dissention from the culture I wanted in an organization.
- If I was going to buy, I would set up a process to work with the on site managers and work to get them oriented to the ways of the new company – I would build a team with these managers. Use the individual talents, and then lay it out for the organization. Develop a plan and role it out to the organization. If changes need to be made –

talk about them. Explain why! People aren't going to like it, but it is important to be open. That will take a strong leader, planning, eye to the future. Do a risk assessment. The worst thing is being in the dark and not understanding why decisions are made.

- *I would communicate the differences*
- *I would look for things that stated the end of the previous owner and announced the beginning of the new company – impress upon the employees that they now work for a different company. I think a lot of people believed nothing was going to change. They had less money, so things had to change.*
- *I would make the changes immediately – I would not allow these things to linger on. A company may choose to ease into it, not wanting to shock the employees, but then you never seem to get around to easing into the items. There was not a recognition that we were ever sold!*
- *If they were going to change the management team, it should have been done shortly after the acquisition.*
- *It is unfair to have one man make all of that change – he could / should have been supported by others. It should have been assessed prior to the acquisition.*

- I probably would have got out of the road and let the group we had here run.
- Brought some of the things we had in progress to completion.
- I would have spent more time asking where we can make changes.
- I would have introduced the philosophy that needed to be introduced in the organization – the employees would spent a lot less time feeling sorry for ourselves and got on with business.

- *Make sure I understood the business well – strengths / weaknesses.*
- *Understand the markets we were in.*
- *Put forward a plan, define a management team, and be clear about what I wanted, and then turn them loose to do the work.*

- That a good question. If I was the new owner and in the position to make the decisions, I would have been stating:
  - This is what you had and this is where we want to go.
  - These are our goals.
  - This is where we are at this point in time and these are our objectives by this point of time.
  - We will measure items on their merit and make decisions on them by a certain time.
- I would communicate that I want to build something solid for the future.

♦ I would say that now you are working for me — it is more than just a name change — it will mean change. This is the road we are going to go down — this is our goals, our objectives and our vision. I want you on my team and I want to make sure you understand and accept that direction. I probably would have taken a background look at the managers and in some cases might have let some people go. People have different philosophies and they don't always match — best to sort that out at the beginning.

♦ *I would have most certainly identified a manager that conformed to the previous manager's style — I would have identified a good learner that could learn our culture and then work with us.*

♦ *I would be more open at the beginning.*

♦ *More communication and I would have brought in more people to support this activity and changes that were going to be implemented.*

♦ *I would have taken a hard look at the activities on site and then made some decisions about their respective value.*

♦ *I would have involved more people in the changes that I needed / wanted to change.*

♦ *I would have given the reasons for the changes I wanted to make — give the organization the why.*

♦ Be open, up front with the employees

♦ *I would make sure that there was somebody here to make the tough decisions, and stay with the site to see it through.*

Questionnaire Employee List

EMPLOYEE NAME	RECEIVED QUESTIONNAIRE

Out of Scope Employees:

1. ANDERSON, Lianne	Yes ☒	No ☐
2. ARMBRUSTER, Cheryl	Yes ☒	No ☐
3. BENTZ, Bev	Yes ☒	No ☐
4. BUMPHREY, Mike	Yes ☒	No ☐
5. CHURCHMAN, Rod	Yes ☒	No ☐
6. CONACHER, Ward	Yes ☒	No ☐
7. DAVIES, Lewis	Yes ☒	No ☐
8. DAVIES, Lorna	Yes ☒	No ☐
9. EWERT, Randy	Yes ☒	No ☐
10. FRISKE, Terry	Yes ☒	No ☐
11. GURSKY, Sharon	Yes ☒	No ☐
12. HRYCIW, Lisa	Yes ☒	No ☐
13. HUJBER, Michael	Yes ☒	No ☐
14. ISFELD, Neal	Yes ☒	No ☐
15. KACZMARSKI, Lhea	Yes ☒	No ☐
16. KWAS, George	Yes ☒	No ☐
17. MacLEOD, Bob	Yes ☒	No ☐
18. MacGILLIVRAY, Marlene	Yes ☒	No ☐
19. POLREIS, Cindy	Yes ☒	No ☐
20. PURDY, Mark	Yes ☒	No ☐
21. RAUCKMAN, Linda	Yes ☒	No ☐
22. RISLING, Lyndon	Yes ☒	No ☐
23. SMITH, Alan	Yes ☒	No ☐
24. SMITH, Beverley	Yes ☒	No ☐
25. STADE, Allan	Yes ☒	No ☐
26. THERENS, Chris	Yes ☒	No ☐
27. VENKATRAMAN, Kalyana	Yes ☒	No ☐
28. WRIGHT, Percy	Yes ☒	No ☐

In Scope Employees:

29. BROMBERG, Roger	Yes ☒	No ☐
30. BROWNRIDGE, Gerry	Yes ☒	No ☐
31. BULMER, Norm	Yes ☒	No ☐
32. CORNEY, Gordon	Yes ☒	No ☐
33. COTE, Neil	Yes ☒	No ☐

34. DANYLYSHEN, Marlene	Yes	☒	No	☐
35. DERKSEN, Keith	Yes	☒	No	☐
36. ENS, John	Yes	☒	No	☐
37. GADUS, Steve	Yes	☒	No	☐
38. GILES, Jerry	Yes	☒	No	☐
39. HOZJAN, Lavern	Yes	☒	No	☐
40. KARPPINEN, Oscar	Yes	☒	No	☐
41. KAUFHOLD, Willie	Yes	☒	No	☐
42. KEATING, Wayne	Yes	☒	No	☐
43. LEASON, Garry	Yes	☒	No	☐
44. LEMKE, Jerry	Yes	☒	No	☐
45. LEN, Stan	Yes	☒	No	☐
46. LESCHYSHYN, Len	Yes	☒	No	☐
47. LUITEN, Joe	Yes	☒	No	☐
48. McKERLIE, Bill	Yes	☒	No	☐
49. PILON, Gwen	Yes	☒	No	☐
50. POPE, Rick	Yes	☒	No	☐
51. SIEMENS, Duane	Yes	☒	No	☐
52. WALDNER, Richard	Yes	☒	No	☐
53. WIST, Ron	Yes	☒	No	☐
54. AMBRUS, Tim	Yes	☒	No	☐
55. BAKER, Bill	Yes	☒	No	☐
56. BOUDREAULT, Luc	Yes	☒	No	☐
57. BRAUN, Bob	Yes	☒	No	☐
58. BROWN, Ken	Yes	☒	No	☐
59. CARLSON, Wade	Yes	☒	No	☐
60. CLARKE, Bruce	Yes	☒	No	☐
61. COUTURE, Daniel	Yes	☒	No	☐
62. COUTURE, Gaetan	Yes	☒	No	☐
63. COUTURE, Les	Yes	☒	No	☐
64. COWAN, Todd	Yes	☒	No	☐
65. DUCKLOW, Clifford	Yes	☒	No	☐
66. EVENSON, Art	Yes	☒	No	☐
67. FLETCHER, Darrell	Yes	☒	No	☐
68. FRIESEN, Dennis	Yes	☒	No	☐
69. GERMANN, Gerry	Yes	☒	No	☐
70. HILL-DUNN, Joanne	Yes	☒	No	☐
71. HOREL, Patrick	Yes	☒	No	☐
72. IVISON, Glenn	Yes	☒	No	☐
73. KOCSIS, Brian	Yes	☒	No	☐
74. KOHLE, Mike	Yes	☒	No	☐
75. KROZSER, D.-Jay	Yes	☒	No	☐
76. KROZSER, Jack	Yes	☒	No	☐
77. LESMEISTER, Ivan	Yes	☒	No	☐

78. McCANNELL, Sandy	Yes ☒	No ☐
79. McRAE, Ken	Yes ☒	No ☐
80. McRAE, Murray	Yes ☒	No ☐
81. MACKISEY, Allan	Yes ☒	No ☐
82. MERTZ, Audie	Yes ☒	No ☐
83. MEYERS, David	Yes ☒	No ☐
84. MISOURI, Lorn	Yes ☒	No ☐
85. MOORE, Steve	Yes ☒	No ☐
86. MORGAN, Kirby	Yes ☒	No ☐
87. PATEL, Rajendra	Yes ☒	No ☐
88. PFEFFERLE, Neil	Yes ☒	No ☐
89. PILON, Ron	Yes ☒	No ☐
90. PIPPIN, Harvey	Yes ☒	No ☐
91. POLISHCHUK, Brian	Yes ☒	No ☐
92. PORSNUK, Marvin	Yes ☒	No ☐
93. PURA, Vern	Yes ☒	No ☐
94. SABAT, Gerry	Yes ☒	No ☐
95. SCHLINGMANN, Rob	Yes ☒	No ☐
96. SHARANOWSKI, Brent	Yes ☒	No ☐
97. SHERBAN, Brent	Yes ☒	No ☐
98. SIMES, Randy	Yes ☒	No ☐
99. SMITH, Tom	Yes ☒	No ☐
100. SMOKEYDAY, Robert	Yes ☒	No ☐
101. STEWART, Robin	Yes ☒	No ☐
102. STRUGNELL, Ken	Yes ☒	No ☐
103. STYAN, Drew	Yes ☒	No ☐
104. TENCH, Rob	Yes ☒	No ☐
105. TROST, Don	Yes ☒	No ☐
106. TWA, Alec	Yes ☒	No ☐
107. VILLAMIL, Celso	Yes ☒	No ☐
108. WALBOURNE, Robert	Yes ☒	No ☐
109. WARNER, Terry	Yes ☒	No ☐
110. WEBB, Will	Yes ☒	No ☐
111. WILLIE, Harold	Yes ☒	No ☐
112. WRUCK, Barry	Yes ☒	No ☐
113. WRUCK, Doug	Yes ☒	No ☐
114. WRUCK, Todd	Yes ☒	No ☐

EMPLOYEE QUESTIONNAIRE

"EMPLOYEE'S EXPERIENCE of an ORGANIZATIONAL ACQUISITION
at
STERLING PULP CHEMICALS (SASK) LTD."

Date: January 26, 2000
To: All Current Employees of Sterling Pulp Chemicals (Sask) Ltd. that
                Experienced the Organizational Acquisition
From: Joe Moore (Researcher)
Subject: Research Study at Sterling Pulp Chemicals (Sask) Ltd.

On January 24, 2000 I circulated an information document to all Saskatoon email addresses to prepare you for the completion of this survey. If you require an additional copy of that communication or if there are any further questions you require answered prior to the completion of this questionnaire, please feel free to contact Joe Moore in person, telephone of by email (home or work).

- Seal the completed questionnaire in the envelope provided and deposit it in the drop box provided at security, the front office reception desk, or the researcher office not later than Friday, February 4, 2000.
- The questionnaire will require approximately 15 minutes of your time.
- Do not sign the questionnaire

Thank you

Joe Moore

Place an X in the box next to the response that best answers the question.

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1. What is your present age (as of your last birthday)?

    ☐   a.   25 years or under
    ☐   b.   26 - 40 years
    ☐   c.   41 - 55 years
☐   d.   56 - 65 years

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2. From the list below select the department that you are presently working in.

☐   a.   Production Department:
- Includes all process operators, steam plant engineers, loader, packagers and production department aligned staff

☐   b.   Maintenance Department:
- Includes all trades people, project supervisor, and maintenance department aligned staff

☐   c.   Front Office:
- Includes all of those employees who work out of the front office

■   d.   Other:
- Includes all of those employees who **are not**: 1) working out of the front office, 2) aligned with the production department, or 3) aligned with the maintenance department. Examples of employees in this category are those in positions aligned with safety, the environment, purchasing, the laboratory, and support roles.

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3. From the list below select the position you presently hold within the organization.

☐   a.   Manager
☐   b.   Supervisor / Planner / Engineer
☐   c.   Coordinator / Specialist / Assistant
☐   d.   Hourly employee who works a 12-hour shift: includes Operators, Packagers and the Loaders
☐   e.   Hourly employee who works an 8-hour day shift: includes those aligned with the Maintenance Department and the Laboratory

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4. Using your date of hire as the starting point, how many years have you been employed at the Saskatoon Chemical Plant workplace?

☐   a.   0 – 5 years
☐   b.   6 – 15 years
☐   c.   16 – 25 years
☐   d.   26 years or more

The remaining questions were developed from analyzing the feedback received from the ten individual interviews with participating employees. Please read the questions carefully and select a response by placing an X in the box that would best express how "you" experienced that particular statement. You will notice that the numbering sequence continues on from the initial four questions that were asked in the quantitative portion of the survey. A few of the questions may be somewhat difficult to answer dependant on the position you held/hold and the level of exposure you may have experienced. Please answer all of the questions to the best of your ability, recognizing that for a few you may have to rely on your perception of the situation to a large degree. Each statement has a response selection range of five levels that have been captured in the table below. I have placed the table at the top of each questionnaire page for easy reference.

Scale	Description
5	Strongly Agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

#	Statement	Response Scale				
		1	2	3	4	5
5	It appeared that Sterling was following a detailed transition plan when they acquired this location.	☐	☐	☐	☐	☐
6	I was well informed of negotiation progress leading up to the sale of the company as a result of the communication process that Weyerhaeuser followed.	☒	☒	☐	☐	☐
7	It is very important for me to clearly understand the culture of the new owners of this organization.	☒	☐	☒	☐	☐
8	Adjusting to the significantly different leadership style of a new leader (in this case the General Manager) compounds the difficulties and the confusion of adjusting to the organizational culture of a new owner.	☐	☐	☒	☐	☒
9	It is very important for me to observe the employee caring side of the organization that I work for.	☒	☐	☐	☐	☐
10	Companies must respond to external environment influences such as the global economy if they are to remain viable and competitive organizations.	☒	☐	☐	☐	☐
11	Upon acquisition, failure to communicate there will be changes can create a false expectation within the employee group that no change will take place	☒	☐	☐	☐	☐
12	Within six months after the acquisition date (July 1997) I understood the organizational culture of the new owners.	☐	☐	☐	☐	☐
13	During an acquisition transition I view the actions of the appointed leader (in this case the General Manager) as an extension of the beliefs and values of the new owners.	☐	☐	☐	☐	☐

Scale	Description
5	Strongly Agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

#	Statement	Response Scale				
		1	2	3	4	5
14	During an acquisition, it is my natural inclination to extend my trust toward the new owners until such time as they demonstrate unworthiness.	☐	☐	☐	☐	☐
15	I would prefer to see all significant changes resulting from the transition to be implemented within the first six months of the acquisition.	☐	☐	☐	☐	☐
16	Based on my observations I believe Sterling Pulp Chemicals actions strongly resemble the way they represented the company during pre-acquisition communication sessions.	☐	☐	☐	☐	☐
17	Having the opportunity for input in a highly participatory workplace is very important to my job satisfaction.	☐	☐	☐	☐	☐
18	Within a company there are several methods for gathering employee input on various items, but I expect and prefer the management and supervisory leaders of an organization to make the decisions.	☐	☐	☐	☐	☐
19	The new owners have demonstrated that they are worthy of my trust.	☐	☐	☐	☐	☐
20	I clearly understood the changes the new owner was implementing.	☐	☐	☐	☐	☐
21	I support open communication and expedient disclosure of information that can have both a positive and negative outcome to the workplace.	☐	☐	☐	☐	☐
22	I feel valued as an employee of Sterling Pulp Chemicals.	☐	☐	☐	☐	☐
23	The successful transition of a newly acquired company is more highly dependant on the strength of the leaders soft skills (i.e.: people skills, communication) than the hard skills (i.e.: administrative, financial) he/she possesses.	☐	☐	☐	☐	☐
24	I cannot trust an organization that does not demonstrate they are willing to trust me.	☐	☐	☐	☐	☐
25	I would be **more** prepared to move forward and accept some policy and cultural changes if the new owners would have first acknowledged our culture and honored our past.	☐	☐	☐	☐	☐
26	From early communication sessions with Sterling Pulp Chemicals representatives I was left with the impression there would not be any significant changes implemented at this location.	☐	☐	☐	☐	☐

Scale	Description
5	Strongly Agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

#	Statement	Response Scale				
		1	2	3	4	5
27	Because I believed in what we were doing within the company prior to the sale I found it very hard to accept the realization of changes introduced by the new owners.	☐	☐	☐	☐	☐
28	Unfavorable leadership leaves a lasting personal negativity toward the company that is difficult to overcome.	☐	☐	☐	☐	☐
29	I feel a significant threat to my employment when a new owner acquires the company I work for.	☐	☐	☐	☐	☐
30	If the new owners have determined that a reduction in the employee complement is necessary, I would prefer that they proceed expediently rather than delaying this action for an extended period of time.	☐	☐	☐	☐	☐
31	Lack of cohesion within the leadership team contributed to the anxiety I felt toward the company and the changes they attempted to introduce.	☐	☐	☐	☐	☐

Employee Questionnaire Themes and Numbers

Change Questions

CH #5	It appeared that Sterling was following a detailed transition plan when they acquired this location.	□	□	□	□	□
CH #30	If the new owners have determined that a reduction in the employee complement is necessary, I would prefer that they proceed expediently rather than delaying this action for an extended period of time.	□	□	□	□	□
CH #15	I would prefer to see all significant changes resulting from the transition to be implemented within the first six months of the acquisition.	□	□	□	□	□
CH #20	I clearly understood the changes the new owner was implementing.	□	□	□	□	□
CH #25	I would be **more** prepared to move forward and accept some policy and cultural changes if the new owners would have first acknowledged our culture and honored our past.	□	□	□	□	□
CH #10	Companies must respond to external environment influences such as the global economy if they are to remain viable and competitive organizations.	□	□	□	□	□

Communication Questions

CO #11	Upon acquisition, failure to communicate there will be changes can create a false expectation within the employee group that no change will take place	□	□	□	□	□
CO #26	From early communication sessions with Sterling Pulp Chemicals representatives I was left with the impression there would not be any significant changes implemented at this location.	□	□	□	□	□
CO #16	Based on my observations I believe Sterling Pulp Chemicals actions strongly resemble the way they represented the company during pre-acquisition communication sessions.	□	□	□	□	□
CO #21	I support open communication and expedient disclosure of information that can have both a positive and negative outcome to the workplace.	□	□	□	□	□
CO #6	I was well informed of negotiation progress leading up to the sale of the company as a result of the communication process that Weyerhaeuser followed.	□	□	□	□	□

Culture Questions

CU #27	Because I believed in what we were doing within the company prior to the sale I found it very hard to accept the realization of changes introduced by the new owners.	☐	☐	☐	☐	☐
CU #7	It is very important for me to clearly understand the culture of the new owners of this organization.	☐	☐	☐	☐	☐
CU #12	Within six months after the acquisition date (July 1997) I understood the organizational culture of the new owners.	☐	☐	☐	☐	☐
CU #22	I feel valued as an employee of Sterling Pulp Chemicals.	☐	☐	☐	☐	☐
CU #17	Having the opportunity for input in a highly participatory workplace is very important to my job satisfaction.	☐	☐	☐	☐	☐

Leadership Questions

LD #31	Lack of cohesion within the leadership team contributed to the anxiety I felt toward the company and the changes they attempted to introduce.	☐	☐	☐	☐	☐
LD #8	Adjusting to the significantly different leadership style of a new leader (in this case the General Manager) compounds the difficulties and the confusion of adjusting to the organizational culture of a new owner.	☐	☐	☐	☐	☐
LD #13	During an acquisition transition I view the actions of the appointed leader (in this case the General Manager) as an extension of the beliefs and values of the new owners.	☐	☐	☐	☐	☐
LD #18	Within a company there are several methods for gathering employee input on various items, but I expect and prefer the management and supervisory leaders of an organization to make the decisions.	☐	☐	☐	☐	☐
LD #23	The successful transition of a newly acquired company is more highly dependant on the strength of the leaders soft skills (i.e.: people skills, communication) than the hard skills (i.e.: administrative, financial) he/she possesses.	☐	☐	☐	☐	☐
LD #28	Unfavorable leadership leaves a lasting personal negativity toward the company that is difficult to overcome.	☐	☐	☐	☐	☐

Trust Questions

TR #29	I feel a significant threat to my employment when a new owner acquires the company I work for.	☐	☐	☐	☐	☐
TR #9	It is very important for me to observe the employee caring side of the organization that I work for.	☐	☐	☐	☐	☐
TR #14	During an acquisition, it is my natural inclination to extend my trust toward the new owners until such time as they demonstrate unworthiness.	☐	☐	☐	☐	☐
TR #19	The new owners have demonstrated that they are worthy of my trust.	☐	☐	☐	☐	☐
TR #24	I cannot trust an organization that does not demonstrate they are willing to trust me.	☐	☐	☐	☐	☐