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**AN EXPLORATION OF GENERAL MANAGERS’  
APPROACHES TO REDUCE ORGANISATIONAL CHANGE  
RESISTANCE IN THE HOSPITALITY INDUSTRY**

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## PREFACE

**We explored the approaches General Manager within the luxury hospitality industry undertake when dealing with their employee's resistance to organisational change. Following several recent large-scale mergers within the luxury hospitality industry, employees are increasingly resistant to organisational changes. Accordingly, General Managers are left steering employees through challenging change processes, often without being fully informed themselves, whilst ensuring delivering luxury customer service experiences. Following such an organisational change within the Carlson Rezidor hotel chain, interviews were held with 9 General Managers of their Belgian properties. Our findings suggest diversity both in the General Managers' communication approaches which relate to their ownership typology as well as proximity to the regional office. Additionally, despite previous findings emphasising employee involvements we found employee emotional and intellectual buy in as a mechanism for change resistance.**

Key Words: Organisational Change, Change Resistance, Communication, Employee Buy In and Luxury Hospitality Industry



## INTRODUCTION

Carlson, a privately held global hospitality and travel company, based in Minneapolis (USA), is the majority shareholder of the Brussels-based Rezidor Hotel Group. In December 2016, HNA Tourism Group Co, Ltd. (HNA) bought Carlson, thus acquiring Carlson's 51.24-percent stake in Rezidor. On 22 December 2016, HNA announced a mandatory public offer to the shareholders in Rezidor Hotel Group to acquire all shares in Rezidor. The shares tendered in the offer, together with the shares already held by HNA, amount to in aggregate 119,567,553 shares, corresponding to approximately 70.4 percent of the outstanding shares and votes in Rezidor (HNA Sweden Hospitality Management AB, 2017; Kleiven and Smith, 2017; The Rezidor Hotel Group, 2017).

In 2017, Rezidor and Carlson established a New Global Steering Committee to provide overall strategic direction to foster greater collaboration and to maximise value across both businesses. Both companies continue to operate as independent entities. Federico González was named president & CEO of the Rezidor Hotel Group and chairman of the Global Steering Committee of the Radisson Hotel Group, whereas John Kidd became CEO of Carlson Hotels (Snehi, 2017). Furthermore, Destination 2022 is Rezidor's five-year plan which capitalizes on the relationship and partnership with Carlson for the benefit of the people, guests, and shareholders. According to González (2017) It is driven by an energized strategy of strong brands, technology, inspired talent development and management. He further noted "*our five-year operating plan includes initiatives that redefine our value proposition, optimise our portfolio, streamline operations and invest in new technology systems*".

On March 5<sup>th</sup>, 2018, at the International Hotel Investment Forum in Berlin, the Carlson Rezidor Hotel Group announced its rebranding to the RHG (effective immediately) (González, 2018). Their vision: "*to be one of the top three hotel companies in the world and the company of choice for guests, owners and investors, and talent*".



As described above, the RHG is undergoing major organisation changes. GMs will have to implement these changes in their hotels. To be able to successfully implement these changes they need the support of their teams. Change however, often leads to fear and anxiety among the employees. In fact, it is not uncommon that employees show resistance towards change, which could have enormous negative consequences for the company, such as employees trying to undermine the change process. This suggests RHG diminishes their financial resources, profitability, loss of legitimacy, and severe market share erosion (Mellahi and Wilkinson, 2004). Therefore, it is crucial to develop a keen understanding of employees' resistance to change, by ensuring their commitment during the change process.

The goals for this research are developing a keen understanding of what employees' resistance towards change entails and positively influencing the attitude of employees. The goal for the client is to provide them (RHG) with knowledge and deliverables (professional products) that should increase the likelihood that the GMs can successfully implement the changes in their hotels. Based on the information presented above, the following research question is proposed: How can general managers reduce their employee's resistance towards organisational change within the luxury hospitality industry?

## **LITERATURE REVIEW**

It has been recognised by scholars and managers that innovation is critical to organisational survival and performance (Kotter and Schlesinger, 1979; Choi, Sung, Lee and Cho, 2010)). Organisations must adapt to increasingly complex and uncertain technological, economic, political, and cultural changes (Krügel, 2017; Kotter, 1996). Company failing to adapt may lose competitiveness or even relevance (Cummings and Worley, 2009; Kotter, 1996).



Top-level managers see change as an opportunity to strengthen the business, whereas for many employees, including middle management, change is not welcome; it is seen as disruptive and intrusive (Strebel, 2009). They are concerned to what extent the change will alter their job content, introduce new and unknown tasks, disrupt established ways of working, reshape social work relationships, reduce autonomy and authority, and lower status (Kotter and Schlesinger, 2008; Peccei, Giangreco and Sebastiano, 2009).

This uncertainty about change clearly has the potential to cause considerable fear and anxiety amongst employees and, hence, can lead to resistance to change. Kotter (1996) describes that 70 percent of efforts to change fail, resistance by employees being a significant reason for this failure (Lawrence, 1969). Krügel (2017) similarly noted change can only be implemented if several the employees do not resist but actively support the change by exerting a strong influence, arguing people are creatures of habit who resist change as the status quo is altered.

Peccei et al (2009) described resistance to change (RTC) as “*a form of organisational dissent that individuals engage in when they find the change personally unpleasant or inconvenient (p. 188)*”. Herscovitch and Meyer (2002), and Giangreco and Peccei (2005), describe that employees’ resistance tends to manifest itself primarily through a low engagement in pro-change behaviour. The dissent and resistance can also manifest in more active forms of anti-change behaviour, such as actively trying to undermine its implementation in the organisation or speaking out against the change in public. Resistance can also be a group phenomenon which influences others (Krügel, 2017). Many managers underestimate their effectiveness managing their teams’ reactions to change (Kotter and Schlesinger, 2008). Organisations though should diagnose change, otherwise managers can easily get bogged down during the change process with very costly problems, as stated by Kotter and Schlesinger (2008).



Lawrence (1969) and Kotter and Schlesinger (2008) describe that attitudes and reactions towards change are related to two key factors. Herscovitch and Meyer (2002) describe the first as the extent to which employees perceive the change as being either beneficial, or detrimental, to their own interests (perceived benefits of change (PBC)). Employees tend to make a personal assessment of the impact that the change can have such as their levels of responsibility and authority, their status and career prospects. These cost-benefit assessments colour their attitude towards change with favourable outcomes inviting less resistance. Accordingly, we propose

*Proposition 1: general managers promoting perceived employees' benefits resulting from change processes diminish employee resistance.*

Herscovitch and Meyer's (2002) second factor is the extent to which employees are involved in the process of change itself (involvement in the change process (IIC)). Kotter and Schlesinger (2008) state that "*if initiators involve the potential resister in some aspect of the design and implementation of the change, they can often forestall resistance p.5*". Involvement refers to appropriate support employees receive from their organisation, such as adequate skill training, to handle the change (Kotter and Schlesinger, 2008). Involvement in the change process is key in helping to reduce resistance to change by reducing anxiety, creating a stronger sense of ownership of the change, and enabling individuals actively to contribute to the shaping of the change (Peccei et al., 2009). Considering this information, we propose

*Proposition 2: General managers promoting employees' involvement within change processes diminish employee resistance.*





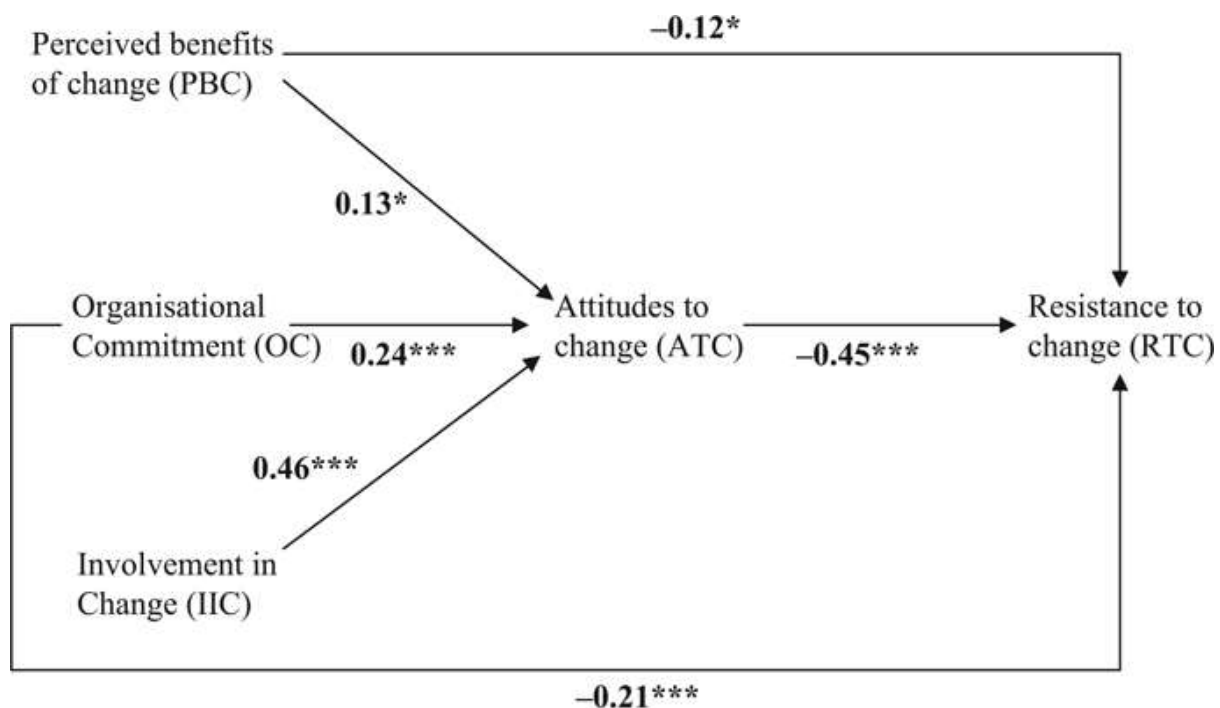
Peccei et al. (2009) describe a third key factor which is also associated with a more positive employee attitude towards change, namely organisational commitment (OC). They defined OC as *“the strength of employees’ emotional attachment to, identification with, and involvement in their employing organisation (Peccei et al., 2009, p.190)”*. Whereas Meyer and Allen (1991) conceptualized commitment generally as *“a psychological state, or mind-set, that increases the likelihood that an employee will maintain membership in an organisation (p. 62)”* which they defined as a composition of affective commitment (desire to remain), continuance commitment (perceived cost of leaving) and normative commitment (perceived obligation to remain). Employees can experience varying combinations of all three mind-sets simultaneously.

Herscovitch and Meyer (2002) examined the relationship between different forms of commitment and employees’ behavioural support for change initiatives. They defined commitment to change as *“a force (mind-set) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative (p.475)”*. The mind-set that binds an individual to this course of action can reflect in (1) an individual who provides support for the change based on a belief in its inherent benefits (affective commitment to change), (2) an individual who recognises that there are costs associated with failure to provide support for the change (continuance commitment to change), and (3) individuals who feel a sense of obligation to provide support for the change (normative commitment to change). In their study they demonstrated that not all forms of employee commitment to change are equal.

Herscovitch and Meyer (2002) particularly noted *“Although commitment, regardless of its form, may lead to minimum compliance with specified requirements for behaviour changes, affective and normative commitment are likely to be required to ensure a willingness to work cooperatively with others, to exert extra effort to achieve the objectives of the change, or to serve as a champion of change (p.483)”*. Accordingly, we propose:

Proposition 3: *general managers promoting affective, continuance, and normative commitment towards change processes diminish employee resistance.*

As previously discussed, PBC, IIC and OC are three important co-predictors of resistance to change. The overall impact on the OC variable was marginally stronger than that of the PBC and IIC variable. Giangreco and Peccei (2005) already stated that both PBC and OC have a direct negative effect on RTC, meaning that the more individuals perceive that they will benefit from the change, the less RTC they will exhibit. They failed though to confirm a direct link between involvement in change and resistance, indicating that the IIC-RTC relationship was fully rather than just partially mediated by attitudes towards change (see figure 1).



**Notes:** Numbers in figure are standardised beta coefficients. \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$ . Sobel Tests of Mediation: 1. Indirect effect of PBC on RTC via ATC: Sobel =  $-2.42$ ,  $p < 0.05$ ; 2. Indirect effect of IIC on RTC via ATC: Sobel =  $-6.19$ ,  $p < 0.001$ ; 3. Indirect effect of OC on RTC via ATC: Sobel =  $-4.15$ ,  $p < 0.001$

Figure 1: *Organisational commitment as a moderator of RTC model (source Peccei et al., 2009, p. 197)*



Figure 1 also illustrates that attitudes to change (ATC) are a key mediator of the PBC-RTC relationship, the IIC-RTC relationship and the OC-RTC relationship. Hence, PBC, OC and IIC are positively related to ATC which, in turn, is negatively related to RTC. In other words, the more employees are committed to the organisation, or the more individuals are involved in the change process, the more positive their attitudes towards the change will be, also the more positive their behaviours, and the less RTC they will exhibit.

## METHODOLOGY

De Veaux, Velleman, and Bock (2014) describe population as “*the entire group of individuals or instances about whom we hope to learn (p.9)*”. For this study I have learned from the GMs of the RHG based in Belgium who are leading the upcoming changes in their hotels. GMs of the hotels that have opened, or will open, in 2018 are excluded from the population. As the entire population is studied to collect the data for this research, using a census method.

I interviewed nine GMs in person. During the interviews I received valuable information about several factors that are likely to make employees embrace the changes and thereby diminish resistance. I visited them in their respective hotels, because I wanted to conduct the interviews in an environment in which they could feel comfortable. Moreover, by visiting them I could make it as convenient as possible for them. Prior to the interviews, I asked the GMs for their consent by outlining the research objectives and explaining how the data will be treated.

Schinke and Gilchrist (1993) proposed “*all informed-consent procedures must meet three criteria: participants must be competent to give consent; sufficient information must be provided to allow for a reasoned decision; and consent must be voluntary and uncoerced p.83*”. Accordingly, all GMs gave their consent. Moreover, I promised the GMs confidentiality, meaning that I would not reveal their identity when using any data provided by them. To ensure confidentiality I numbers interviewees in places of names.



To answer the Research Question and Sub Research Questions, in-depth knowledge was required on how GMs can promote the attitude of their employees towards the forthcoming change process in order to diminish their resistance. Therefore, a qualitative approach was chosen. This is because qualitative research is designed to explore, whereas quantitative research is designed to draw inferences (De Veaux et al., 2014).

To gain in-depth knowledge about the approach of the GMs, interviews were conducted with the GMs. One of the GMs did not have time for an interview and offered to complete the questions of the interview digitally and send the document per email. Unfortunately, the answers were not as extensive as I had hoped. Moreover, one interview was no longer to be considered pertinent for this research. For confidentiality reasons I cannot go deeper into this matter. The interviews featured a semi-structured method, which allowed *me* “*access to what was in, and on, the interviewee’s mind (Pickard, 2017, p.196)*”. Asking open-ended questions allowed the interviewees to tell their own story in their own words. When conducting a semi-structured interview, the researcher has a list of themes and key questions to be covered (Saunders et al., 2015). Some questions were covered more in-depth than others, as is the case in a semi-structured interview.

Additionally, the advantage of this method is that it provides both the interviewer and the interviewees with the opportunity to clarify meanings and to reach shared understanding (Saunders, Lewis, and Thornhill, 2015). However, semi-structured interviews have several limitations, such as reliability, bias and cultural differences. The lack of standardisation in this type of interview can lead to concerns about reliability as it can be questioned whether other researchers would reveal similar information (Saunders et al., 2015).



Interviewer bias is another possible limitation, because the comments, tone or non-verbal communication of the interviewer can create bias in the way that interviewees respond to the questions asked. Moreover, response bias can arise, namely, interviewees may choose not to reveal an aspect of the topic that the interviewer wishes to explore, because this would lead to probing questions that would intrude on sensitive information that they do not wish, or are not empowered, to discuss. Cultural differences may also influence the questions that the interviewer asks or affect the interviewees willingness to share and how the researcher interprets the interviewee's words.

With consent, I recorded the interviews, which provided me with a secure way of keeping all the data (Pickard, 2017). However, it might have had a negative impact on the interviews, as the interviewees might feel inhibited by the fact that their words were recorded, making them very conscious of what they were saying. After conducting and recording the interviews, I began transcribing them. Whilst transcribing, I kept a sharp eye out for similarities. A good example is that one interviewee mentioned that communication during a period of change is crucial to establish trust, whereas another interviewee mentioned that lack of communication can lead to damaged relationships. This led to the category Internal communication. Other examples of categories that emerged from the interviews are Mindsets towards change, Employee buy-in, and Post-processing of change. Additionally, I made use of colour coding and gave each category a specific colour (Saunders et al., 2015). All categories and their colours are presented in the colour coding index below. After analysing and examining the categories for differences and similarities, I formulated a coherent theory which is presented in a mind-map (appendix 9.4) and in the next chapter.



## FINDINGS

### Change Mindsets

From interviews two different employee types were identified, namely: blinders and open-minded employees. Blinders are mainly staff employees who are only concerned with changes that affect them directly, who do not see the bigger picture and for whom it is too difficult to understand the strategies behind the changes. Whereas open-minded employees understand the necessity of change, as well as the value of the change for the organisation, and are looking towards the future, and aim for positive findings from the changes.

Open-minded employees are predominantly higher-level employees such as Head of Departments (HODs), who keep themselves informed about the changes, and who have a healthy curiosity about what will be next. This can be translated into readiness for execution. Moreover, they need to make business critical decisions daily which are aligned with the new vision; hence they require more in-depth knowledge of the change.

During the interviews it also became clear that there are four types of mindset towards change; (1) embracing change, (2) accepting change, (3) conservatives, and (4) detractors. Blinders are most likely to display mindsets 3 and 4; open-minded employees are more likely to demonstrate mindsets 1 and 2. These four mindsets all have an influence on the level of reluctance to cooperate, and therefore on the level of adaptation towards change.



One of the GMs mentioned that *“It is our mission to help them develop and to grow, but we cannot change people’s minds (interviewee three, 2018)”*. So, when having a detractor within the team, most GMs agree that when the changes do not match the profile of the employee, it is better for them to look for an opportunity elsewhere, as the detractor might have a negative effect on the other employees. By doing this the hotel will keep an engaged and committed team. Most GMs also mentioned that the employees within their teams who showed signs of being a detractor had already left the company: *“She relied mostly on the past and did not really embrace the changes (interviewee three, 2018)”*.

Conservatives are employees who are not yet fully convinced of the necessity of the changes. Sometimes having a fresh start with a new person is beneficial; *“It is easier of course when you have new people that you can tell exactly already what is going to happen, than people who are here already for a long time and have to change.”* and who will say *“We always used to do it like that (interviewee four, 2018)”*.

Employees who are accepting of the changes will comply or cooperate, because they believe in the changes; whereas embracing goes one step further, namely belief in the changes, and feeling included. It is important that GMs and HODs promote the embracing mindset. People who understand both their own benefit and that of the company, will help support the changes. To facilitate GMs in diminishing resistance to the forthcoming changes, it is important to create the embracing mindset among employees. In the following sections (Internal communication, Buy-in to change, Commitment, Job security, Career prospects, and Post-processing of change) are descriptions of how GMs can create this mindset.



## **Internal communication**

The GMs mentioned that communication (how, what and why) is one way to influence employees' perception towards change. The interviews made it clear that there are different ways of how GMs communicate changes to their employees; both formal and informal. Formal ways of communication include general staff meetings and HODs Meetings, in which GMs share relevant information and create opportunities for their employees to ask questions, e.g. through a Q&A session, promoting two-way communication.

Informal communication examples, on the other hand, include participating management, being a role model or being a decision maker. Two GMs practice participating management in their hotels. They communicate to their teams where they need to go and together, they decide the best way forward. In this way an embracing mindset is more likely to be achieved. HODs drive the changes within their departments. As they are partake of the decision-making process, they will fully support the decision.

Another GM is a role model, who noted that his presence within the organisation had a clear impact on the organisational climate in the hotel and how the teams perceived the changes. Being very positive about the changes and having a good relationship with the team creates support and commitment. Another GM is a real decision maker and says: "*Change is a fact (interviewee eight, 2018)*". This GM does not give much freedom or space to the team, "*otherwise nothing will happen (interviewee eight, 2018)*". The discussion is only about how the changes will be implemented, not whether the change is necessary.





Also based on the interviews, it was noticeable that the information that GMs shared with different stakeholders, was tailored to their level of understanding, their position and their level of involvement in the change. Further example of the communication is the content that GMs share. GMs communicate information that is relevant to the success of the operation and that is business critical in the day-to-day-job. They also communicate the vision of the RHG, “where we want to be going and how we are going there”.

When there is enough relevant information to share with the staff, GMs will organise a general staff meeting in which they will inform their staff about the new company name and culture and show them the new company video. After which the rest of the five-year-plan will be introduced, broken into understandable pieces along the way. Giving the right pieces of information at the right moment is crucial to prevent losing support: “*It makes no sense in the operations to start to communicate or try to communicate these 460 pages about the five-year plan (interviewee two, 2018)*”. HODs need to make decisions daily to reach targets which are aligned with the vision of the RHG; therefore, they need to have the full picture. Moreover, the GMs use a different terminology according to their level of understanding: “*I am not sure that my breakfast waiter knows what an EBITA is (interviewee three, 2018)*”.

It is obvious that communication has various aspects, whilst naturally the change itself is important to communicate, so that people know where the RHG is going. Communication also has a significant impact on the way employees perceive the change, on building trust, on relationships within teams, and on the organisational culture. Hence, it is important to understand that communication is not just about content but also about the wider effects.



The first argument why it is important that change is communicated thoroughly (including alignment), is because the way a GM (or a HOD) presents the changes influences the way employees perceive the change. It appears imperative the communicator embraces the change. Secondly, by being honest, open and transparent in their communication, GMs (and HODs) establish trust among their employees, whereas if this did not take place, it could even damage relationships within teams and undermine the whole process.

Thirdly, besides being open and transparent in their communication, promoting two-way communication is vital. In this way GMs (and HODs) create an open culture where employees feel free to express themselves (*“It is also up to us (GMs) in order to actually create a culture that they can speak up (interviewee two, 2018)”*). This culture leads to involvement and creates commitment.

Fourthly, it is also important to inform the employees of the benefits related to the change (personal and company wise). They should also know about the changes and their backgrounds to be convinced that the changes are necessary.

### **Buy-in to change**

Six of the GMs mentioned that it is not possible for a GM to implement the changes alone. HODs are the drivers of change in their departments. Therefore, GMs need the buy-in of the HODs, to successfully implement the changes. Buy-in can be defined as *“Understanding, commitment, and action from others in support of a person, idea, proposal, product, service, or organisation.”* or *“The specific action(s) desired from a target audience in support of a person, idea, product, service, or organisation (Walton, 2004, p.99)”*.



The following five elements will enhance the buy-in. The first one “*acknowledging the things that are good, and then build on what could be improved*” and “*not pretending that everything was not right before (interviewee four, 2018)*”. To do so, communication is key in making employees understand why change is necessary and what the benefits are, associated with the changes. “*If they don’t understand why they have to work in a certain way, well for sure that you won’t change the way of working (interviewee five, 2018)*”.

Secondly, giving freedom and empowerment to the employees, helps them to make the best decisions for the business. Thirdly, providing employees with the right resources, that are user-friendly and do not over-complicate things, is necessary to deal with the changes. Resources can be tools, equipment, skills, trainings and/or budgets. Fourthly, let HODs come up with their own approach. This could be possible by asking them “*How would you do it? (interviewee four, 2018)*” or by using reversed thinking, “*You start from your staff and then you come to the plan (interviewee seven, 2018)*”, or by participating management. By letting them find solutions themselves, they are both involved in, and are partake of, the change processes, and therefore they will be committed as well. A possible disadvantage of this approach is, that when things get emotionally tough on HODs, it is hard to make rational decisions. Finally, making it fun.

In the field of affective commitment, one thing that emerged was being a respected leader, who has always been fair in every (business) decision. By doing this, employees will continue to support taken decisions, and they will also establish mutual contracts. It is too early to discuss continuance and normative commitment as employees do not yet feel the changes.



Another important point to discuss is the level of job security during a period of change. Several positions become redundant during restructuring. Seeing colleagues leave does have a negative effect on the people that stay with the company: *“During a restructuration, 100 percent of the employees are insecure about their own positions (interviewee two, 2018)”*. Hence, during that period there is a substantial amount of job insecurity, principally because employees always think that there is a hidden agenda. This job insecurity can be seen both in decreasing guest satisfaction though stirring social unrest amongst employees.

A GM must understand the emotions that changes bring and must be sympathetic to those who must leave the company. Informing, being transparent and honestly explaining the reasons why it is being done will create understanding among employees. Colleagues will have understanding for the employees that are affected; it is however the role of the GM to ensure that it is not over-traumatized, otherwise they might start to show signs of (passive) resistance. The RHG is also a solid brand, giving security to employees as well. Something else that increases the level of job security is the creation of a sense of belonging to the Radisson community. One of the GMs gave the example of the ‘Yes I Can’ pin, no matter how big the changes are, there is one thing that will not change. That gives security.

Another point to increase the likelihood that employees will embrace the change, is if they see the value for themselves as well, e.g. career prospects. *“For those who actually want to grow their career, obviously globalisation offers more possibilities for them (interviewee two, 2018)”*. Globalisation offers opportunities for employees who are willing to move to other hotels (e.g. to the U.S.) to enhance their careers. However, most of the GMs mentioned in their interview that they have many team members from ‘local markets’ unwilling to transfer. *“If you want to have a career, you probably have to move. At the end of the day, chances that you are offered in the same hotel are limited. I mean until you want to wait until everyone goes on pension, you might retire yourself in your first position (interviewee two, 2018)”*.

Some employees, however, are working in this industry because of economic necessity, like the employees in housekeeping or in the dishwashing department. As they are not driving careers, their career prospects are not likely to be increased by the changes. The Radisson Red has a flat organisational structure. Therefore, some promotion opportunities are offered by developing employees in other domains and through taskforce projects. *“And supervisors here I think at one point will be bored, because there is no space for them to grow at least in this Red, because it is not a very big property, so we try to make them grow in certain domains even beyond their current skills or by making use of taskforces (interviewee seven, 2018).”*

The bigger the property, the more positions are available, therefore it is more likely that opportunities arise. Moreover, as the hotels are based close to the CSO, there is the luxury of making use of face-to-face marketing’ also because the number of new colleagues at the CSO is growing, there is close contact. On the other hand, because of the restructuring several positions are being made redundant, this limits the possibility for promotion. Keeping the Peter Principle in mind, it is better to not promote employees beyond their capabilities. Damaging both their happiness and health, being ‘incompetent’, in performing their duties.

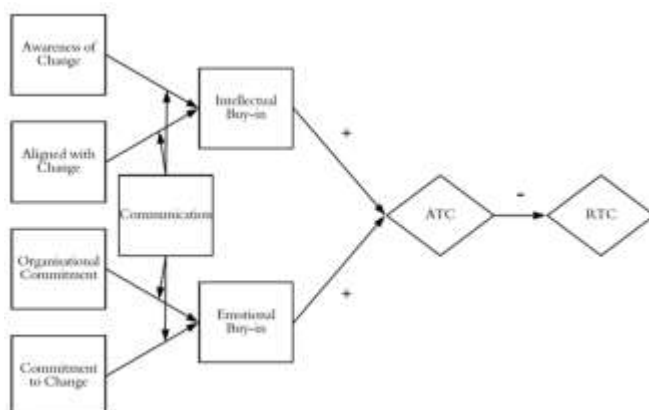


Figure 2: Adapted organisational commitment as a moderator of RTC model



## **Post-processing of change**

*“It doesn’t stop when you change it, you have to review the changes as well (interviewee four, 2018)”* is what one of the GMs mentioned during the interview. Three of the GMs mentioned in their interviews that after the changes have been implemented, it is important to reflect, acknowledge what has been implemented, highlight what went well and celebrate the successes, e.g. an increase in profit or a decrease in guest complaints. To reach these goals, it is important to keep asking open questions to the team, for example *“Is it working better, or shall we review it again? (interviewee four, 2018)”*. After adapting to the changes, employees need time to stabilise to ensure that they can incorporate the new procedures and get used to the new circumstances.

After a whilst the value of the change becomes visible. This makes it possible to analyse the effects of the changes and see the findings of the actions. If there are positive findings because of the changes, GMs will be able to motivate their teams. This will increase both the level of acceptance of the changes and the belief that things can be done differently. This all creates enthusiasm among employees for the upcoming changes (Destination 2022). However, if the findings turn out to be negative, GMs must react fast, deal carefully with the circumstances, and try to keep the employee satisfaction at the highest possible level.

## **Conclusion**

In conclusion, the best way to promote the attitude of employees to diminish their resistance is by creating the embracing mindset. Communication (how, what and why) capturing buy-in to change, commitment, providing job security, highlighting personal valence and post-processing change are all key in creating this mindset.



## DISCUSSION

This research constitutes Peccei et al's (2009) three-factor partial mediation model of Resistance to Change (RTC). Firstly, our findings show that how employees perceive change as being either beneficial or detrimental to their own interests influences their attitudes towards change. As job security appears low during, especially during an organisational restructuring, their fear of losing their jobs leaves negatively primed towards change, eventually diminishing guest satisfaction as social unrest rises. The more negative their behaviour, the more resistance towards change they will exhibit. To increase the likelihood of employees embracing the change, managers should encourage the employees see for themselves the value of the change, such as positive career prospects. As talked about in Findings, globalisation offers opportunities for some employees, however, these opportunities do not apply to franchise employees, nor for employees that are working in this business because of economic necessity.

Secondly, the findings also show that the extent to which employees are involved in the process of change itself does influence employees' attitudes towards the change itself. Seven in eight GMs mentioned that it is not possible for them to implement the changes alone and that they need the support of their HODs to drive change in their departments. Therefore, GMs do not only need the involvement of their HODs, but their buy-in, to successfully implement the changes. Buy-in will be discussed more in depth later.



Thirdly, the findings show that affective commitment to change indeed has an influence on employees' attitudes towards change. However, no support was obtained for continuance and normative commitment to change, as the effects of the changes on employees are still too far away. In the field of affective commitment, one thing that emerged was being a respected leader, who has always been fair in every (business) decision. In this way employees will continue to support taken decisions, and they will also establish mutual contracts. Besides perceived benefits, involvement and commitment to change, which highlight communication, buy-in and post-processing also have an influence on employees' resistance to change.

Peccei et al (2009) did not take into consideration communication, which was a key element found in this research. During the interviews with the GMs it was noticeable that communication (how, what and why) is also associated with a more positive employee attitude towards change. The findings of this study prove that communication influences the way employees perceive changes, and that honest, open and transparent communication establishes trust; whereas lack of communication can damage relationships between GMs, HODs and other employees, and undermine the whole change process. Moreover, the findings prove that communication is key in creating an open culture where employees feel free to express themselves, which leads to involvement and creates commitment. Furthermore, communication is crucial in making employees aware of the benefits (personal and company wise) that emanate from the change and to convince them that the changes are necessary.





Elving (2005) explains that communication is vital to the effective implementation of organisational change and that poorly managed communication concerning changes findings in rumours and resistance to change, exaggerating the negative aspects of the change; whereas employees who are satisfied with the communication from management see more personal opportunities and have a positive state of mind on the organisational change. In addition, they have no fear of a worsening work atmosphere and do not lack confidence in a successful enrolment of the organisational change (Nelissen and Van Selm, 2008).

Moreover, as discussed in the literature review, change can only be implemented if some employees actively support change through their influence (Krügel, 2017). Our findings support this note as seven in eight GMs mentioned that it is not possible for them to implement the changes alone and that they need the support of their HODs, being the drivers of change in their departments. However, employees, in this case HODs, will not make sacrifices, unless they believe that advantageous change is possible. Without credible communication, the hearts and minds of the employees, in this case HODs, are never captured (Kotter, 1995).

To conclude, the findings of the interviews showed that communication has a significant impact on the way employees perceive the change, on building trust, on relationships within teams, and on the organisational culture in the hotels. Additionally, Elving (2005), Nelissen and Van Selm (2008), and Kotter (1995) also illustrate the importance of communication in a period of change. It appears salient communication should partake of the model. In light of this evidence linking communication to change-relevant behaviour, raises the following consideration: how to communicate changes to the different mindsets?



Although Peccei et al (2009) did not explicitly mention is (employees') buy-in to change. Although six in eight of the GMs mentioned that buy-in is crucial to successfully implement changes, none of them gave a clear explanation of what exactly buy-in is. They did, however, mention that communicating why changes are necessary, the benefits associated with the changes, as well as providing freedom and empowerment, and the right resources to the HODs do help to generate buy-in. Additionally, letting HODs come up with their own approach and thereby capturing their commitment, and making it enjoyable, tends to foster buy-in.

From the field of communication, Walton offers an early concept of buy-in: "*Understanding, commitment, and action from others in support of a person, idea, proposal, product, service, or organisation (Walton, 2004, p.99)*". He illustrates the importance of buy-in by stating the following: "*However well positioned, intelligent, or accomplished we are, to succeed in this twenty-first century, we all need somebody's buy-in (Walton, 2004, p.98)*". However, in academic research a differentiation is made between intellectual and emotional buy-in.

Intellectual buy-in can be described as "*employees are aware of, and aligned with, the brand and the business goals and strategies, and understand how they can positively affect them (Thomson, Chernatony, Arganbright, and Khan, 2010, p.825)*". They stress communication is important to equip employees assess value adding changed to increases the organisation's intellectual capital. Moreover, they argue employees' (personal) alignment with those changes, should facilitate this capital.



Emotional buy-in can be defined as *“the employees' commitment to achieve the goals through their emotional attachment and associations (Thomson et al., 2010, p.825)”*. As discussed in Literature review, Meyer and Allen (1991) conceptualized three compositions of organisational commitment; affective commitment (desire to remain), continuance commitment (perceived cost of leaving) and normative commitment (perceived obligation to remain). Employees are likely to develop affective commitment when they value the positive work experiences that create feelings of comfort and personal competence, if they share the same values as those of the organisation, and if they derive benefits from the relationships. This leads to working towards the success of the organisation. Anything that increases the costs associated with leaving an organisation has the potential to create continuance commitment. Whereas normative commitment is loyalty and favours that require repayment

Moreover, Herscovitch and Meyer (2002) examined the relations between different forms of commitment and employees' behavioural support for change initiatives. Their primary message is that not all forms of employee commitment to change are equal; affective and normative commitment are likely to be required to ensure that employees embrace changes. In their discussion they hypothesize that affective commitment is fostered by e.g. training, participation, and empowerment, whereas normative commitment is likely to develop when the organisations meet their employers' obligations for their employees during the change.



In addition to intellectual and emotional buy-in to change, there is a third aspect that needs to be taken in consideration. Haugen and Davis (2009; 2010) in their paper, offer two approaches for developing and sustaining workforce engagement, consistent with effective strategic change. Although they predominately focus on engagement, since both concepts are applicable in the same field and their points are equally viable for this research, the knowledge could be incorporated. In their research they found evidence that engagement goes beyond intellectual knowledge and individuals having a positive emotional attachment to the event. They explain that individuals may be committed to an event and feel positive emotional attachment to it, without acting to transform it; hence, engagement also possesses an action. They defined engagement relating specifically to strategy implementation as *“stemming from a deeply held conviction (intellectual) that the initiative is the right course of action, is preferred (emotional) over other courses of action and directs behavioural change (action) to accomplish the initiative (Haugen and Davis, 2009, p. 396)”*.

Employees who demonstrate a high level of understanding of emotional attachment to, and action in support of, the change can be described as embracers (mindset 1). In other words, employees who are both willing and able to give their best to help their organisation achieve its vision and goals, and who will act as ambassadors for their hotel (Thomson et al., 2010). As mentioned in Findings, it is important to promote this embracing mindset. Embracers are vital in overcoming resistance, because *“they will demonstrate extreme enthusiasm for a change by going above and beyond what is formally required to ensure the success of the change and promote the change to others (Herscovitch and Meyer, 2002, p.478)”*. This in turn is likely to generate positive financial performance and ultimately create sustainable competitive advantage (Cravens and Oliver, 2006).



Buy-in is more than involvement, as introduced in the model of Peccei et al (2009). Employees might be involved in the change process without either understanding the goals and strategies behind the changes or being committed to the changes. HODs are the drivers of change in their departments, so to successfully implement the changes, GMs do not just need their involvement, but their intellectual and emotional buy-in; therefore, I propose not limit the model to involvement, but to enlarge it with buy-in. The following questions arose: (1) How to generate the buy-in of HODs? (2) What environment should GMs create to generate buy-in? (3) What circumstances would promote buy-in? (4) How to maintain the buy-in of employees? (5) What effect does buy-in have on the ATC?

There was also one unexpected finding during the interviews, namely post-processing of change. Change is critical to organisational survival and performance, and the constant initiation of change processes is the only consistency within organisations. Consequently, it is crucial to post-process after each implemented initiative as this is likely to create alacrity for the upcoming changes among employees. In this research alacrity is described as readiness for the subsequent change. This also applies to the various initiatives of Destination 2022, as these will be implemented incrementally over a timespan of approximately five years. Armenakis, Harris and Mossholder (1993) empathize, in their study, that readiness for change is the cognitive precursor to the behaviours of either resistance, or support for, a change effort.



Although, the importance of establishing organisational readiness for change has been emphasised by change management experts, there is limited reliable empirical research on post-processing change that creates organisational readiness for change. For the purpose of this discussion the focus will be solely on organisational readiness for change and not on individual readiness for change. This is because the goal of this research is to facilitate the GMs in promoting the attitude of their employees towards the forthcoming change process to diminish their resistance and not to create readiness for change for every individual employee. Weiner (2009) describes organisational readiness for change as “*a shared psychological state in which organisational members feel committed to implementing an organisational change and confident in their collective abilities to do so (p.1)*”.

During the interviews it was noticeable that post-processing involves reflection. According to Miles (2001), it is not only important to reflect on what went well, but also to analyse points of improvement and failures. Further noting organisations may address skill shortages by training and other competency-enhancing opportunities.

During the interviews it was also noticeable that post-processing includes analysing the effects of the changes and looking at the findings of the actions. Interviewees described that positive findings, because of the changes, will motivate employees as well as increase both the level of acceptance of the changes and the belief that things can be done differently. This will set the base for employees to feel confident in their collective ability to implement the next change and thereby increase the level of alacrity among employees. Future research will help to determine how post-processing can be designed to create and preserve alacrity and openness to future changes among employees.



Every organisation has its own characteristics, just as every change process will have goals and aims. Moreover, this research focussed on GM level, not on HOD or staff. As these various levels all have different views and perspectives on the changes, the outcomes are expected to be different. For example, GMs take into account the RHG as a corporation, HODs will more likely focus on the hotel itself and their own department, whereas staff will mainly think of their own role and department. But also, different brands, the number of years an employee is working for the organisation, how the person is feeling on the day of the interview and many more aspects will all have an influence on the findings of the study. However, if this research will be replicated in a future study, ideas such as perceived benefits, buy-in, commitment, communication and post-processing are expected to repeatedly manifest themselves as being relevant concepts, terms and factors.

### **Practical Implications**

As this is a bachelor thesis, the scope and generalisability of this study are limited; however, this explorative research does highlight a few crucial points such as a change in management communication, employee buy-in, and alacrity. Moreover, this study gives a better understanding of human behaviour during a period of change and how GMs can best promote the attitude of their employees towards change to diminish their resistance.

This study focusses on a global change in a leading hospitality company with multiple brands, standards and business models. Therefore, this study should be of interest to any hotel chains who will go through similar changes. Moreover, this model can be used by researchers to study, guide, frame and model future empirical research in the field of change management. It can also be used to further explore change management communication, employee buy-in, and alacrity in different stages of change over time in a longitudinal study.



## Limitations

During the interviews with the GMs a small number of things came to light that need to be taken into consideration and that probably influenced the findings. Firstly, the number of employees working in a hotel has an influence on the implementation of the changes. In other words, if there are less employees, and the changes to implement are the same, there will be a higher level of job responsibility, e.g. combined functions.

Secondly, the contract type (leased, managed or franchised) also has an influence on the repercussions, and extent, of changes to be implemented, and on the provided support. With a managed contract the owner also needs to agree with the changes, whereas for franchised it is not entirely sure which initiatives will be available to them. By only focussing on one contract type, either leased, managed or franchised, this limitation can be overcome in future research.

Thirdly, the brand (e.g. Radisson Blu, Radisson Red and Park Inn by Radisson) also has an influence on the changes, as per each brand there are different changes. Radisson Red for example will get a new identity. This limitation can be overcome in future research by solely focussing on one brand.

Fourthly, it is likely that there is a relation between the number of years as a GM and the level of expertise in change management, and that this will have an influence on the findings. By knowing beforehand, the level of expertise a GM has in change management, this limitation can be overcome in future research.

The last thing to keep in mind is the physical distance from the CSO. All hotels based in Belgium are close to the CSO and will experience a stronger influence of the change. Interviewee two mentioned *“I do believe that the hotel situated in Brussels could be experiencing a lot more, because they see a lot of the executive teams coming over and staying at the hotel (Interviewee two ,2018)”*.





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