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Exploring the Perceptions of Leaders in Investor-Owned Utilities in California on
Managing Organizational Change Initiatives

A Dissertation by
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Brandman University
Irvine, California
School of Education

Submitted in partial fulfillment of the requirements for the degree of
Doctor of Education in Organizational Leadership

April 2019

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Doctor of Education in Organizational Leadership

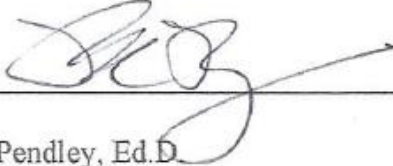
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April 2019

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Managing Organizational Change Initiatives

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First and foremost, I would like to thank God for this amazing journey called life. My faith has given me the strength, the courage, the ability to persevere and complete my studies. It has also kept me always striving to become a better person. I count my blessings every day.

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ABSTRACT

Exploring the Perceptions of Leaders in Investor-Owned Utilities in California on
Managing Organizational Change Initiatives

by Maria Liza Legaspi

Purpose: The purpose of this qualitative study employing in-depth interviews was to identify the strategies and practices executive leaders and midlevel managers of investor-owned utilities (IOUs) perceive are effective in creating employee acceptance and support of organizational change and to identify the supports and barriers executive leaders and midlevel managers perceive as affecting employee acceptance or resistance to organizational change in IOUs.

Methodology: A qualitative research design enabled the capture of deeper thoughts and insights of executive leaders and midlevel managers of 4 IOUs in California. The study delved into the strategies and practices used by IOUs that are perceived effective in creating employee acceptance and support of organizational change. Furthermore, support and barriers affecting employee acceptance or resistance to organizational change were also examined. Interview participants were selected based upon their exposure to the topics studied and their experience within this industry.

Findings: The analysis of data from the in-depth interviews identified 9 major and 1 unexpected finding. Findings included 4 strategies, practices, and supports to facilitate effective change implementation. Five barriers were identified.

Conclusions: Eight conclusions were drawn. Employees are more likely to embrace change when they understand the reasons behind the organization's need to change; they receive adequate training and the tools necessary to facilitate change; there is a change

plan and process to engage and support them; they are given the opportunity to engage in an open dialogue with supervisors, leaders, and executives; they are afforded sufficient time to understand the need behind the change. Employees are likely to resist change when leaders and midlevel managers have opposing perceptions of the organizational change process, when leaders and midlevel managers do not anticipate and plan for external forces that may affect the change initiative, and when leaders and midlevel executives give employees a choice between accepting the change or leaving the organization.

Recommendations: Further research is recommended such as conducting a qualitative research study examining frontline employees affected by change in IOUs in California.

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CHAPTER I: INTRODUCTION

Today's world continues to evolve at an extraordinary pace (PwC Strategy &, n.d., p. 1). Technology is at the forefront of this evolution. Drones, ultra-private smartphones, brain mapping technology, artificial intelligence systems, 3-D printing, and new wind and solar technologies that anticipate power fluctuations (Bleiberg & Schaub, 2014), along with a new breed of employee, inhabit today's workplace, resulting in a change in the culture and climate therein (Heerwagen, Kelly, & Kampschroer, 2016). To remain current, most large businesses seek to improve operations through innovative approaches and cost-saving strategies (Shore, 2017). Some firms operate organically allowing employees to collaborate frequently, adjusting within a limited hierarchy using a heavy stream of communication to better cope with change initiatives. Conversely, there are companies that establish consistent innovative routines (Utterback, 1994) marching to the rhythm of change. The utility industry represents an example of companies going through massive change efforts as a result of changing workforce demographics (Electric, Light and Power, 2017), innovation in technology, and incremental government policies (California Public Utilities Commission [CPUC], 2017a).

Inasmuch as some large firms embrace the idea of change, many fail to “design and implement change processes that attend to both internal and external dynamics at the individual, relationship, team, and organizational levels” (Ackerman Anderson & Anderson, 2010, p. 632), thereby resulting in change initiative failure (Keller & Price, 2011, p. 1). Additionally, researchers have observed that “organizational leadership behaviors have a direct influence on actions in the work environment that enable change” (Gilley, Gilley, & McMillan, 2009, p. 1). Leaders play a vital role in influencing

employees. They act as change agents, creating a vision of the future, influencing employees' need for change, and motivating action to make change a reality. Thus, it is important to understand leadership behavior and its implications in managing change efforts in order to minimize failure and achieve organizational change success (Mehta, 2014). According to Gilley et al. (2009),

Research indicates that two-thirds of all organizational changes fail. They represent a tremendous cost to companies in money, resources, and time. Several of the common reasons for failed change programs include lack of commitment from the top, change overload, lack of incentives tied to change initiatives and lack of training. (p. 1)

Some examples of large organizations that have failed include Blockbuster, a video rental chain that was unable to adapt to market and technology changes while its competition continued to innovate (i.e., from VHS to video streaming over mobile devices), and Motorola, initially a car radio manufacturer who built and sold the first mobile phones. The company dominated the wireless industry in 2003 until Apple, LG, and Samsung entered the market focusing on e-mail and data sharing (Newman, 2010). At the time of this study, Motorola continued to struggle.

Numerous academic studies (i.e., *Role of Leadership in Managing Organizational Change* [Mehta, 2014]; "Impact of Transformational Leadership on Follower Development and Performance: A Field Experiment" [Dvir, Eden, Avolio, & Shamir, 2002]; and "Role of Leader-Member Exchange Relationship in Organizational Change Management: Mediating Role of Organizational Culture" [Arif, Zahid, Kashif, & Sindhu, 2016]) have explored leadership behaviors and factors that affect organizational change

efforts. Some of those studies have examined specific aspects of transformational leadership (Dvir et al., 2002) change management and its direct relationship to employee behavior (Mehta, 2014). The only research studies found exploring the role of leadership in organizational change initiatives and employees' resistance to change were published in India (Mehta, 2014), Malaysia (Tabassi, Roufechaei, Bakar, & Yusof, 2017) and Africa (Jumbe & Proches, 2016). Tabassi et al. (2017) believed that "more research is required to determine how accurate the findings . . . are in other countries as well as other industries" (p. 13). No specific research relating to California investor-owned utilities (IOUs) has been found. There is an urgent need to understand leadership behaviors and how they affect the management of organizational change in order to minimize failure and achieve change success (Mehta, 2014). Through understanding organizational change dynamics, leaders of California IOUs can make adjustments in their leadership style building a stronger, higher performing and more sustainable company that better serves its customers and the communities at large (Southern California Gas Company [SoCalGas, 2018).

Background

Investor-Owned Utilities in California

The CPUC regulates privately owned electric and natural gas providers within the state. This includes Pacific Gas and Electric (PG&E), San Diego Gas and Electric (SDG&E), Southern California Edison (SCE), and Southern California Gas Company (SoCalGas). The CPUC (n.d.-b) oversees utility companies and plays a key role in California as a leader in energy related efforts benefiting customers, the environment, and the economy.

The CPUC's Energy Division is tasked with the development and administration of programs to be implemented by IOUs to benefit customers (CPUC, n.d.-a). Such programs include mandates to reduce emissions of environmental pollutants (CPUC, 2018), limit utility cost and rate increases (CPUC, 2017a), energy efficiency strategies, and actions to attain statewide energy savings (California Energy Efficiency, 2011). These mandates drive IOUs to make significant changes to their businesses. A white paper on consumer and retail choice opined, "California's electric sector is undergoing unprecedented change, brought about by a sequence of innovation, technology as well as many incremental policy actions taken in several different decision making arenas" (CPUC, 2017b, p. 3). A testimonial document from SoCalGas and SDG&E laid out the importance of their enterprise-wide change initiative called "Fueling the Future" (SoCalGas/SDG&E, 2017). This program is based upon the idea that within a successful company, opportunities exist to enhance performance through better use of the organizations' talents, processes, and technology (SoCalGas/SDG&E, 2017).

Change practices and methods utilities employ. Organizations such as SoCalGas and SDG&E embrace a culture of continuous improvement. These utilities employ the help of third-party consulting firms that provide resources and the framework to identify, evaluate, and prioritize change endeavors (SoCalGas, 2018). To cope with changes in the environment and customer demand, PG&E has streamlined the number of executives by 15% resulting in a flatter and more nimble decision-making structure (Electric, Light and Power, 2017). SCE, on the other hand, adapted an integrated solution to attract, develop, motivate, and retain a talented and high-performing diverse workforce. In their 2015 General Rate Case Advice Letter to the CPUC, SCE (2013)

presented a plan to improve its management and leaderships' expertise and behaviors through skip-level meetings and mandating that management walk shop floors. SCE also suggested continuously assessing organizational effectiveness by improving its leaders' performance through a more streamlined communication and decision-making processes. SCE also developed a partnership between its human resources (HR) and ethics and compliance groups in order to resolve workplace problems. The company also improved workplace security programs enabling the organization to respond to and resolve reported problematic behaviors more quickly (Southern California Edison [SCE], 2013).

Innovation and failure. Steiermark, Managing Director of an Austrian power company lamented, "Utilities are required to innovate but not allowed to make mistakes" (Deign, 2018, p. 1). He stated that lawmakers are pushing utilities for decarbonization to ensure a huge supply of energy, to invest in the grid, and to make energy affordable. However, all of this requires investments in infrastructure that mitigate utility companies' desire to spend on innovation, even when they consider the basic needs of the consumer. Steiermark added that the present regulatory structure within the utility sector restricts innovation (Deign, 2018). For this reason, he indicated that it is important for utilities to pilot new projects (Deign, 2018). Perhaps a majority of these projects will end in failure although this did not concern him. He believed that there is more learning from disappointments than from successes. According to Steiermark,

Being allowed to fail works well in academia and fast-moving industries such as technology but is almost the opposite of what energy regulators look for. If a utility invests heavily in a project that does not work, the regulators is bound to ask why. (Deign, 2018, p. 1)

Organizational Change

Organizational change is not a new concept; it has been emerging since as far back as the Roman Empire where strategic shifts, leadership changes, team expansion, or downsizing were common. Gray and Wilkinson (2016) stated, “Organizational change can simply be defined as any change to business processes, organizational structure, staffing levels, or culture within a company” (p. 336). It is important to note that any change affecting individuals, teams, or organizations must take into consideration the capabilities and limitations of those involved in order to succeed (Durant, 1999). On the other hand, change management is defined as a planned process that allows organizations to reach their goals (Dentinger & Derlyn, 2009).

Reasons organizations need to change. To survive in today’s ever-changing economic environment, businesses must adapt their products and/or services in order to remain competitive and continue to serve customers at higher and higher levels (Durant, 1999). A study by Jumbe and Proches (2016) expounded on the motivation of an African-based utility company; its leader’s vision was to become one of the leading organizations in the world, able to cope with its ailing infrastructure, staffing challenges, threats of blackouts, and load shedding. These changes are not limited to product or service improvements but encompass those made to employee relations and processes. Any business change approach must involve plans to engage and support employees (Jumbe & Proches, 2016). This vital aspect of an organizational change initiative is often neglected. Typically, when companies change management programs focused on technical issues, they tend to place less emphasis on organizational structure, processes, and people (Durant, 1999).

Entin, Diedrich, Kleinman, Hocevar, et al. (2003) suggested that communication might serve as an indicator when structural change becomes necessary. It is through communication that employees are able to deal collectively when they sense a deterioration in their performance resulting from stress, heavier workload, and/or other problems they may be experiencing. Through these indicators, the organization will be better able to determine if the current structure is no longer compatible with its mission, making a change necessary to achieve the company's success more effectively (Entin, Diedrich, Kleinman, Hocevar, et al., 2003).

Change is necessary. According to Mayhew (2018), "The only thing constant is change" (para. 1). Leaders focus on change management as a path to convincing employees that change is unavoidable and good for the organization (Mayhew, 2018). Literature emphasizes a trend in identifying change as an essential component to success (Drucker, 1995; Ford & Gioia, 2000; Friedman, 2005; Johansson, 2004; Kuhn, 1970). Change is seen by many large corporations as the one true path to a competitive edge (Florida, 2005; Friedman, 2005; Howkins, 2001). Organizations that embrace the rhythm of change remain emulous particularly when they employ continuous and appropriate transformational change initiatives (Cohen, 1999). Despite this, some studies show "a failure rate of one-third to two-thirds of major change initiative" (Gilley et al., 2009, p. 75). Former Harvard Business School professor John P. Kotter conducted a study that revealed a 70% failure rate of transformational change initiatives (Shore, 2017).

Change drivers. Acknowledging and understanding change drivers is vital to organizations because it establishes the initiatives importance and meaning. Failure to recognize these change drivers may result in a disorganization that ultimately triggers

resistance. Ackerman Anderson and Anderson (2010), in the *Change Leader's Road Map*, discuss drivers for change (see Figure 1).

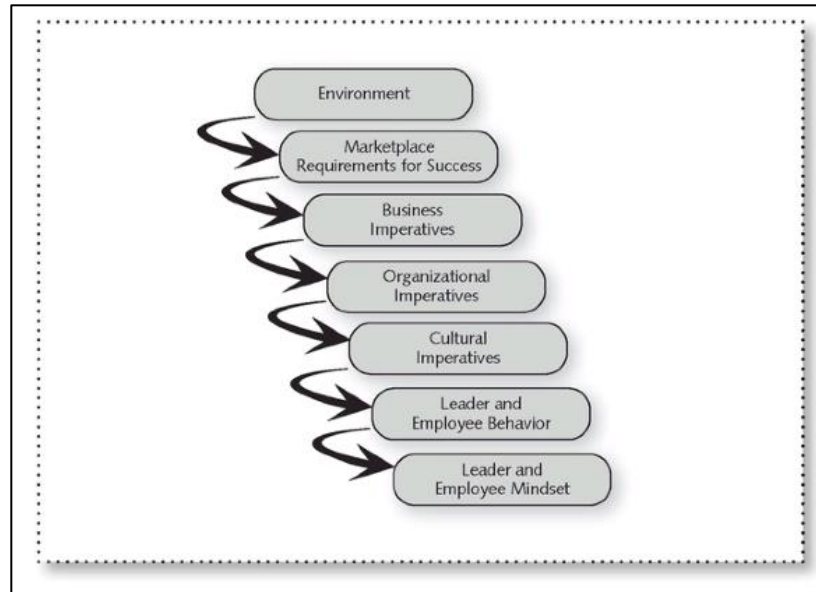


Figure 1. The drivers of change model. From *The Change Leader's Roadmap* (2nd ed.), by L. A. Ackerman Anderson and D. Anderson, Loc. 536 [Kindle version] (Amazon.com). Copyright © 2010.

Based on this model, environmental forces may influence changes in the marketplace. Changes in the marketplace motivate organizations toward the development of a strategic approach leading to change efforts with the goal of successfully coping with the requirements triggered by ever-changing environmental forces. Significant changes will impact the organization's culture-making transformation necessary to achieve and sustain a laminar flow. Cultural change demands altering people's mindset, beliefs, and perceptions. To maintain these changes, it is necessary that the behavior of both leaders and employees embraces the efforts (Ackerman Anderson & Anderson, 2010).

Continuously changing context. In an article on managing organizational change, Vaill (1991) described change as “permanent white water” (p. 1). Individuals are constantly caught in the rapids. The concept of using resources that can be controlled to ensure success is no longer relevant in today’s environment. Vaill stated that the environment dictates change and change continuously occurs. Individuals have limited control over the market, which can be navigated only by those with the specialized skills necessary to negotiate the maze of an ever-changing marketplace (Durant, 1999).

Three stages of change. Durant (1999) outlined three stages of change in an organization: unfreezing, change, and refreezing. Unfreezing is that process by which past behaviors are unlearned or laid to rest. This process begins when the organization experiences “cognitive dissonance” (p. 2). In the field of psychology, cognitive dissonance occurs when behaviors are inconsistent with attitudes. In organizations, cognitive dissonance can be triggered by stakeholders’ application of pressure on senior management to increase returns. Dissonance is born of benchmarks set forth by internal mechanisms, identifying areas in the organization requiring attention. If the level of importance in the areas that require attention is high, pressure to rectify this imbalance will be elevated to a commensurate level. The recognition of these issues motivates the organization toward developing solutions. Support for unlearning arises when existing practices are confronted and found to be lacking or no longer tenable.

The second stage is change itself. This involves integrating new behaviors into the organization’s processes. Employees’ current state of mind and the organization’s past culture must be replaced enabling the change effort. This is most challenging; diverting employees’ attention and engaging them in order that they support and sustain

the change initiative requires the learning of new skills to maintain the new status quo. This also requires employees to embrace the change process while learning the new skills necessary to complete the job.

Refreezing is the last stage of the process. This stage reinforces the new status quo. New mechanisms to measure the altered behavior are put in place. For example, new performance appraisals, promotion, and salary raise criteria are designed to encourage new initiatives (Durant, 1999).

Emotional phases of change. During large change efforts, managers of the organization must take their employees through a process similar to the stages of grief (Kubler-Ross, Wessler, & Avioli, 1972). The similarities include the ending or loss, a period of confusion and distress, and then the period of new beginnings (Bridges, 2004). Figure 2 illustrates the stages of grief starting with denial, wherein the individual experiencing the loss avoids the situation. The next stage is a period of confusion or uncertainty. This is followed by anger and frustration. Bargaining or finding answers comes next, followed by depression, and finally, acceptance or recognition of the loss.

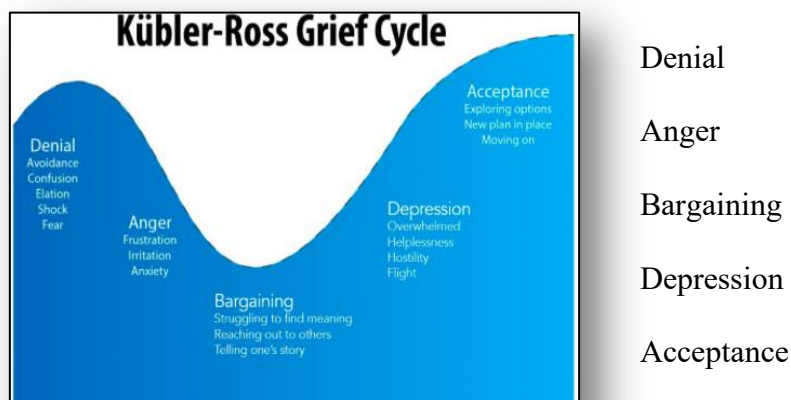


Figure 2. Kubler-Ross stages of grief. From *On Death and Dying*, by E. Kubler-Ross, S. Wessler, and L. V. Avioli, 1972, p. 174 (<http://www.psy.lmu.de/allg2/download/audriemmo/ws1011/kubler-ross.pdf>).

Through an understanding of the emotions that employees experience during a change initiative, organizations and their managers will be better able to facilitate the process (Durant, 1999).

Resistance to change. Kotter and Schlesinger (2008), in “Choosing Strategies for Change,” stressed the importance of understanding the common reasons employees resist change. In so doing, managers are able to address these challenges. Some of the reasons employees resist change include parochial self-interest, misunderstanding of the change effort and implications, belief that the change initiative does not makes sense to the organization, and a low tolerance for change (Kotter & Schlesinger, 1989).

Kotter and Schlesinger’s (1989) resistance-to-change model (see Figure 3) illustrates the four main reasons employees resist change in an organization. This includes preserving their self-interest. Employees perceive change as a threat to job security, status, and financial position. Employees often place their self-interest over that of the organization, especially if they do not have strong loyalty to the company.

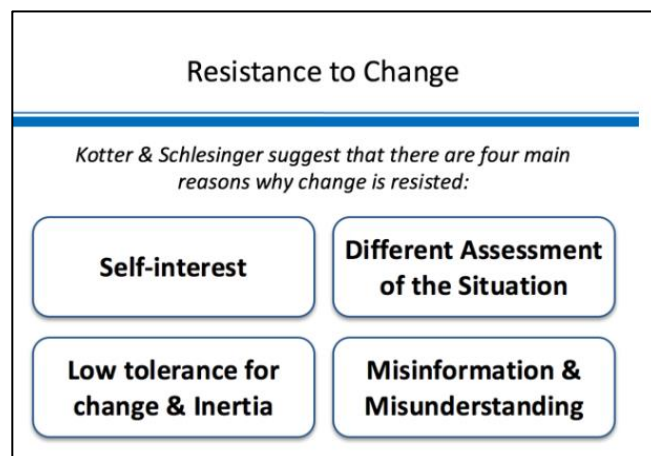


Figure 3. Kotter and Schlesinger’s resistance-to-change model. From “Choosing Strategies for Change,” by J. Kotter and L. Schlesinger, 1989, in D. Asch and C. Bowman (Eds.), *Readings in Strategic Management*, p. 130. London, England: Palgrave.

Misinformation and misunderstanding may also play a part in resistance to change. Employees who do not understand why change is necessary may be laboring under a lack of information about the economic or strategic position of the company. Differing assessments of a situation may also come into play; employees may disagree with the proposed change effort or feel they have an alternative solution that better deals with the situation. Last is low tolerance for change. Employees prefer a homeostatic existence secure in a habitual job performance and resist changes in that routine. In other words, employees do not relish leaving behind their comfort zones (Kotter & Schlesinger, 1989).

Sustaining change. Administration of continuous change is difficult for organizations (Mehta, 2014). Hodges and Gill (2015) believed that “business success requires a strong commitment to sustainability and, in particular, sustainable change” (p.420). According to Buchanan et al. (2005), “Maintaining healthy organizational change efforts is vital to the progress, evolution, success, and existence of any organization functioning within an ever-changing environment” (p. 189). Hodges and Gill (2015) further stressed that those businesses unable to sustain change waste immense resources. There is no one true way to manage and maintain change endeavors because efforts that may work in one organization may fail in another. Over time, change efforts may fade or fail; in this case, employees have the tendency to drift back into old habits and behaviors (Hodges & Gill, 2015).

Leadership Role and Vision of the Future in the Change Process

Leadership is defined as the ability to motivate employees by sharing one’s vision, specifically with regard to the desired end (Garcia, 2016). The role of leadership

is vital in the organizational change process (Mehta, 2014). Companies invest huge resources attempting to mold managers into effective leaders who address environmental and market vicissitudes (Cook, 2014; Mehta, 2014). To successfully transform an organization, leaders must be shaped into change gurus (Mehta, 2014). To become such, leaders must intensify their knowledge of the required change necessitating an incessant development of their leadership competencies (Mehta, 2014). Mehta (2014) stated,

It is not only important for leaders to establish the vision of the organization i.e. to define what the future should look like but also share the vision with the people who need to be inspired and motivated to make change happen, despite . . . obstacle[s]. (p. 16)

To succeed in change efforts, it is important for leaders to create and share their vision of the future of the organization. They must convey a clear strategy to manage the changes, understanding and managing resistance. Leadership and the role it plays is the key to success in reducing resistance to change (Mehta, 2014).

Managing the risk of organizational change. Organizational change efforts must be managed carefully to ensure success. When mapping the path to success, it is important to understand the types of resistance and risk associated with organizational change (Rick, 2013). In a study by Erwin and Garman (2010) on leadership and organizational development, it was suggested that the definition of resistance to change is divergent and evolving. Giangreco and Peccei (2005) considered resistance to change behaviors as both passive and overt. Conversely, Bovey and Hede (2001) pointed out that behaviors in response to change included supportive versus resistant, active versus passive, and covert versus overt. Lines (2005), in his study, discovered that a range of

resistance-to-change behaviors could be recognized, which included strong or weak behaviors (Erwin & Garman, 2010).

Behaviors associated with resistance to change involve how individuals view change (cognitive) and how they feel about the effort (affective; Oreg, 2006; Piderit, 2000). Thoughts, feelings, and behaviors toward change efforts are not necessarily good or bad but rather either supportive or antagonistic (Lines, 2005). In a self-reported survey from mid-managers, results indicated that anti-change behaviors are expressed passively (i.e., not supporting the change effort), or displaying behavior that hinders the endeavor (Giangreco & Peccei, 2005). Examples of these behaviors include employee attempts to do the minimum or to do the job while not collaborating or promoting the initiative, and not engaging other employees (Erwin & Garman, 2010).

Reasons for organizational change failure. An article by Strebel (1996) explained that employees and managers have different perspectives in relation to change initiatives. Inasmuch as both parties understand that leadership and vision are the driving forces in a change effort, the issue remains with leaders' failure to recognize the manner in which employees commit to change. Senior managers see change as an opportunity to improve the business and gain a competitive advantage. Employees, including mid-managers, view it as disruptive and intrusive. Organizational inability to recognize this dichotomy is a major contributing factor to organizational failure (Strebel, 1996).

A study of Norwegian business leaders by Capgemini found “that 45 percent of all companies currently do not excel at change management” (UNC Executive Development, 2015, p. 1). Failure is attributed to unclear sharing of vision by leaders, the lack of positive organizational culture supporting the change initiatives, change

strategies that are disconnected with the organization's needs leading to insufficient buy-in by leaders causing transparent reinforcement of the change endeavor (UNC Executive Development, 2015). Failure may also be attributed to organizational change overload leading to employee burnout, making change unsustainable (Hodges & Gill, 2015). Hodges and Hill (2015) stated, "As a result of this, the Number One critical issue for organizations today is, according to research by the Institute for Corporate Productivity in Seattle (2013), managing and sustaining change" (p. 4).

According to Pyper (2015), "If you are not prepared for the change, you're too late," said James Avery, . . . senior vice president of power supply, [SDG&E]" (para. 17). Electric utilities are dealing with various challenges brought about by the nature of the energy industry and smart technologies. The new processes and business design presented the biggest hurdle to implementing smart grid programs (Black & Veatch, n.d.). Industry leaders see change as an opportunity while also understanding the risks involved. Wernsing, manager of electric asset strategy at Public Service Electric and Gas Company (PSE&G) said, "I'm concerned we're going to find out later that we wish we would have done it differently" (Pyper, 2015, p. 1).

Great companies that have lost their edge. Several companies have downsized or became obsolete as a result of their failure to cope with environmental and/or market changes. These include Blockbuster, Dell, Eastman Kodak, Microsoft, Motorola, Sears, Sony, Toys "R" Us, Yahoo, and a myriad of others (Newman, 2010). Some of these companies suffered from bad management and misguided leadership. According to Chartered Management Institute (2015), "Companies that fail to embrace change and

reorganize themselves accordingly, regardless of any prior success, will be swept away” (p. 1).

Organizational change challenges for investor-owned utilities. Thompson (1991) explained in his research that IOUs are fairly homogeneous organizations. This is a mature industry, selling the same product since the turn of the 20th century. He stressed that this sector is a government-authorized monopoly within a certain geographic area.

Suh (2017) discussed that California legislators are making significant efforts in the transition to cleaner and smarter ways to power the future. A white paper from the CPUC (2017b) explained that more than 85% of customers will be served by entities other than IOUs by 2020. Regulators are considering the possibility of returning to existing retail energy access programs, to city and county community-choice aggregators (St. John, 2017). This will result in IOUs losing their market share to these entities. According to Trabish (2017), “This is a looming market disruption of unprecedented proportion” (para. 6). The California utility industry is facing unprecedented change as a result of new legislation (CPUC, 2017b).

Utilities are making their processes leaner and more efficient due to sunk costs. Cost-saving programs, such as reduction of staff by offering early retirements or partial retirements, hiring freezes, pay freezes for executive staff or all employees, cancellation of bonuses, reduction of professional training, and intermission of pay raises have become more common (Roth, 2015; Sydow, 2013). Utility companies have remodeled their operations and self-perception (Roth, 2015). Cost saving, disinvestments and optimization of processes may be a good starting point for change, but they are not

sufficient. To stay in the market, these organizations must adapt to an ever-changing environment. As external pressures increase, utilities must be ready to roll out a well-planned change process (Roth, 2015).

Hart, Pounds, LaShell, and Graham (2009) indicated in a utility study that the capacity of executives to lead the workforce ranked very low on the effectiveness scale. Leaders in this industry showed a notable weak spot in “building and leading a team, confronting problem employees, building a broad functional orientation, and career management” (Hart et al., 2009, p. 6). The study further enumerated other organizational challenges that utilities face: leaders’ difficulty in developing good working relationships with others, difficulty with change or adapting to a new way of doing things, resistance to change, learning from mistakes, difficulty in following up on promises, and lack of depth to manage outside of one’s current function (Hart et al., 2009).

Hertzog (2010) pointed out that utility employees are expected to develop different orientations to consumers, a mindset that is modeled on competing for market share and energy awareness. This is a different way of doing things that will result in employees’ resistance. Hertzog reiterated that whatever the form of change, one must not assume it as a forgone conclusion. It is for certain, poorly managed change instills fear, uncertainty, and doubt. She continued,

And don’t be surprised if there’s resistance to change in regulatory agencies too. There is always comfort in continuing to do things the way they’ve always been done, and Smart Grid technologies will definitely reshape regulatory relationships and introduce pressures from unexpected quarters. (Hertzog, 2010, p. 1)

In a news article, SCE commissioned an independent audit of the work environment in its information technology department to determine areas in need of improvement. A shooting incident in which a disgruntled employee shot two supervisors triggered the audit. Sewell (2012) reported the following:

Key issues which include workplace climate and culture concerns and stressors related primarily to a fundamental lack of leadership in many areas, and resulting in loss of trust, lack of respect, fear of retaliation, inefficient decision-making processes, poor communication, lack of work/life balance, abusive management styles, lack of management accountability, perceived absence of fairness and a shortage of recognition. (para. 8)

Summary of Background

According to Vey, Meyer, Zipp, and Schneider (2017), “The world is constantly changing—but now at an unprecedented speed, leading to extensive and fundamental transformations” (p. 22). Hodges and Gill (2015) stated, “We are living in an age of accelerating change and turbulence. The magnitude, speed, and unpredictability and impact of change are greater than before” (p. 4). Shore (2017) stated that organizations realize the need to cope with change. Employees, leaders, and managers develop new methods to resolve customer challenges, develop, create new revenue sources, and reduce costs (Shore, 2017). Inasmuch as organizations embrace change,

Research indicates that two-thirds of all organizational changes fail. They represent a tremendous cost to companies in money, resources, and time. Several of the common reasons for failed change programs include lack of commitment

from the top, change overload, lack of incentives tied to change initiatives and lack of training. (Gilley et al., 2009, p. 75)

Studies have attempted to understand and define the reasons organizational change initiatives fail (e.g., Ackerman Anderson & Anderson, 2010; Keller & Price, 2011; Gilley et al., 2009), the reasons why employees resist change (Kotter & Schlesinger, 1989), and organizations' inability to sustain change efforts (Hodges & Gill, 2015).

Based on the insights gathered from various authors, news articles, and white papers, the utility industry is “facing unprecedented challenges” (Seeking Alpha, 2016, p. 1). These major challenges are brought about by market changes, such as the rising popularity of renewable energy, government regulations, demand changes, consolidation, increased competition, digitalization of the market, remote metering, smart grid technology, and customer needs. These changes have pressured the utility sector to adjust its processes and business models (Carson, 2018; Krohne, 2016). In a study conducted by E-Source, a utility-company-focused research firm, results indicated that midlevel managers are the most resistant group to change while executives and leaders have high acceptance (M. Burke, 2016). It is unknown what strategies or practices those executives and midlevel managers employed in the implementation of change initiatives.

Statement of the Research Problem

Many academic studies have explored leadership behaviors and factors that affect organizational change efforts. Findings from studies on leadership behaviors affecting organizational change and change management lead to the conclusion that “many change programs fail” (Aliyu, Solomon, Isaac, & Bridget, 2017, p. 2) for various reasons including opposing viewpoints of managers and employees with regard to change

initiatives. While both parties recognize the importance of vision and leadership in the quest for successful change, very few managers recognize the way in which employees commit to change. Managers see change efforts as an opportunity to align business strategies with operations to face new challenges and to gain promotion. Some employees, on the other hand, see change efforts as disruptive and intrusive (Strebel, 1996).

Several studies showed an immense failure rate of change initiatives. Beer and Nohria (2000) and Bibler (1989) revealed one third to two thirds of major change initiatives fail. While the need for change efforts may be obvious to top-level managers, they may not be so obvious to employees on the shop floor (Lipman, 2016). Further studies suggest that organizational failure may in large part be attributed to employees' negative attitudes toward those efforts (Aliyu et al., 2017).

The utility industry in California is undergoing fundamental change (Babe, 2019). New technology, such as energy efficient appliances, smart meters, and smart grids, give customers better insight and control of their energy use. A rising concern regarding the connection between greenhouse gasses and global warming has led to legislation encouraging the utility sector to embrace the use of renewable energy, such as wind and solar, to reduce carbon emissions. These changes have driven a rise in operational costs hurting the profit margins of IOUs (Salvaterra, 2016). Changes in this sector are now occurring without a coherent plan to deal with the challenges (St. John, 2017). Market vicissitudes are forcing utility company leaders to adjust their processes and business models (Carson, 2018; Krohne, 2016).

Carson (2018) opined, “While participants in this industry reported high maturity in terms of budget design and project integration, they fell behind . . . in regards to dedicating a resource to change management” (p. 1). This industry is inclined to be very conservative and slow to change their approach (Garza, 2011). Deregulation and technological innovation is driving organizational changes while market variability is driving the urgency to embrace a new way of doing business (Afzal, 2016). IOUs have no direct competition. In exchange for this monopoly they submit to government regulation thereby eliminating the potential for abuse of customers. As a result of their homogenous nature, IOUs have become very conservative, stodgy, and risk averse in management style. Thompson (1991) agreed that “IOUs are not known to be innovators of American industry” (p. 32).

Many experts, Mehta (2014), Tabassi et al. (2017), and Aliyu et al. (2017), agreed that research is necessary to explore the strategies and practices leaders must employ to facilitate employee acceptance of change. It is also imperative to gain a deeper understanding of the cause and effect of resistance to change, and to extrapolate the methods employed by sectors other than manufacturing, and banking, to businesses such as IOUs. Expanding the research to other industries that would greatly profit by a better understanding of effective tactics in IOUs (Loo, Lee, & Low, 2017), particularly when dealing with different types of employees, organizational cultures (Mehta, 2014), and leadership styles (Tanner, 2015). Furthermore, some studies that explored the instant topic were limited to those finding their origins in India (Mehta, 2014), Malaysia (Loo et al., 2017), and Africa (Aliyu et al., 2017). No studies from California were found. In summary, there is a lack of understanding as to how the behaviors of leaders affect the

management of organizational change in California's IOU sector, in order to minimize failures and achieve higher rates of success (Mehta, 2014). There is a further lack of understanding on how employees accept or resist the organizational change efforts previously experienced with IOUs.

The Purpose Statement

The purpose of this qualitative study was to identify the strategies and practices executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change. A further purpose was to identify the supports and barriers executive leaders and midlevel managers perceive as affecting employee acceptance or resistance to organizational change in IOUs.

Research Questions

This study was guided by the following questions.

1. What strategies do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?
2. What practices do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?
3. What supports do executive leaders and midlevel managers of IOUs perceive affect employee acceptance or resistance to organizational change in IOUs?
4. What barriers do executive leaders and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change in IOUs?

Significance of the Study

Organizations must understand how to navigate change to survive and thrive (Dallas, 2015). Technological advancements, market expansion, financial vicissitudes,

corporate cultural change, restructuring, mergers, and legislation, demand companies remain dynamic (Imran, Rehman, Aslam, & Bilal, 2016). Organizations that are unable to adapt their products and services to the ever-evolving market and economy will not survive (Gray & Wilkinson, 2016). Imran et al. (2016) added, “Without question, change becomes the life organ of every vital organization” (p. 3).

Like all large organizations, utility companies are facing extensive change (Cohen, 1999). California utilities in particular are leading the way, exploring all efforts to provide clean and renewable energy (Suh, 2017). Concerns about greenhouse gasses and global warming have pushed the government to pressure the utility sector to adopt the use of renewable energy resulting in carbon emission reduction. Simultaneously, new technologies including energy efficient appliances, smart meters, and smart grids have given customers better insight and control over their usage. These changes have driven up IOU companies’ operational costs thereby damaging their revenue stream (Salvaterra, 2016). Garza (2011), a change management utility consultant, stated that the industry is facing challenges brought about by the pressures of technological innovation and an aging workforce. The utility sector may need to invest in new infrastructure to cope with these vicissitudes. There is also a need to replenish the aging workforce (Bigliani, Eastman, Segalotto, Feblowitz, & Galloti, 2015). These challenges are forcing leaders of organizations to reevaluate their business model, modify their strategies, determine who they need to collaborate with, and the best methods with which to serve their customers. Deregulation and technological innovation are driving organizational changes while market variability is driving the urgency to embrace a new way of doing business (Afzal, 2016).

Carson (2018) discussed that the utility sector is behind in dedicating resources to change management. This industry is known to be very conservative and relaxed in its approach to change (Garza, 2011). Contrary to this, senior utility leaders are embracing change. J. Bret Lane, chief executive officer (CEO) of SoCalGas explained in his testimony to the CPUC that the organization is committed to investing in programs and policies designed to motivate and engage employees in the adoption of new processes, technologies, and a new way of doing business through employee training, workforce planning, and total rewards program (SoCalGas, 2018). These programs are aimed at attracting, motivating, and retaining high-performing employees (SoCalGas, 2018). In the same spirit, SCE is providing an integrated solution in attracting, developing, motivating, and retaining a talented, high-performing, and diverse employee base. SCE believes that the placement of employees in the right job at the right time allows SCE to achieve its goals and cope with changes affecting the organization (Lu & Miller, 2015). Hart et al. (2009) analyzed leadership effectiveness data from 11,000 utility employees. Findings indicate that the most important leadership development priority is to enhance skills to lead employees, handle challenging employees, and empower teams (Hart et al, 2009). Inasmuch as utility executives and program sponsors recognize the importance of these approaches and “often get off on the right foot when it comes to change management, they struggle to follow through on earlier commitments and plans” (Regi & Smith, 2017, p. 1).

Through this research, IOUs in California will be able to gain a better understanding of strategies and practices allowing them to make adjustments in their current leadership style and change management procedures that will render more

successful change efforts allowing the organization to minimize employee resistance and gain support, sustain change activities, avoid significant financial loss, and increase the success of their organizational change efforts. Knowledge gained from this research will allow utility leaders to improve their skills in leading employees, enabling them to achieve their organization's goals, and more importantly, improve their bottom line by minimizing or eliminating change management failure that presents the "risk of losing an average of \$135 million for every \$1 billion invested (Langley, Smallman, Tsoukas, & Van de Ven, 2013)" (Garcia, 2016, p. 14).

Definitions

The following are terms used in this study:

Barriers. Okeke (2015) described barriers as "the inability of management to recognize, understand, and bridge the divergent goals of the organization and its' employees" (p. 1). In the present context, barriers are any hindrance to "organizational change that make adapting difficult" (Walk-Me Team, 2017, para. 4).

Change model. Change models are tools available to leaders that may help them understand the type of change that must occur. A change model guides the organization through the process of discovery, planning, and implementation (Gilley et al., 2009).

Change management. "Change management is the discipline that guides how we prepare, equip, and support individuals to successfully adopt change in order to drive organizational success and outcomes" (Prosci, n.d., para. 3).

Different assessment of the situation. Different assessment of the situation was identified by Kotter and Schlesinger (1989) as one of the reasons employees may resist

change. Employees may disagree with the proposed change effort or feel they have an alternative solution that better deals with the situation.

Effective communication. Brown (2019) explained, “Communication is the process of sharing information, thoughts, and feelings between people through speaking, writing or body language. Effective communication extends the concept to require that transmitted content is received and understood by someone in the way it was intended” (para. 1).

Employee training. Frost (2019) stated, “training presents a prime opportunity to expand the knowledge base of all employees” (para. 1). In this study, employee training is an educational preparation for performing the job or implementing the change initiative.

Executives. Kotter (2012) defined executives as key players in the organization. They create a climate that supports the transformation of the organization. In this study, executives are those employees in leadership roles, such as CEOs, presidents, vice presidents, and directors.

Halo effect. Cherry (2018) stated, “The halo effect is a type of cognitive bias in which our overall impression of a person influences how we feel and think about his or her character” (para. 1).

Investor-owned utilities (IOUs). “Investor owned utilities (IOUs) are private electric and natural gas providers” (California Energy Commission, 2018, para. 1). In the present study, California IOUs identified are SCE, SoCalGas, SDG&E, and PG&E.

Lean Six Sigma. Rastogi (n.d.) defined Lean Six Sigma as a concept “of streamlining a business process. . . . A systematic approach to reduce or eliminate activities that don’t add value to the process” (paras. 1 and 2).

Low tolerance for change. Kotter and Schlesinger (2008) identified low tolerance for change as one of the reasons why employees may oppose change efforts. Employees resist change because they may be under the impression that they do not possess the necessary skills and behaviors to handle the change. They fear they will not be able to cope and develop new capabilities.

Midlevel managers. Kotter (2012) stated that midlevel managers are employees in-charge of planning, budgeting, and establishing detailed steps and a timetable for achieving organizational goals. In this study, midlevel managers are project managers or those in an equivalent role.

Misunderstanding. Kotter and Schlesinger (1989) stated that misunderstanding is one of the reasons employees resist change. In this study, misunderstanding is when employees who do not understand why change is necessary may be laboring under a lack of information about the economic or strategic position of the company (Kotter & Schlesinger, 1989).

Organizational change. Literature defines organizational change as the process companies go through to reengineer their approach, modify their structure, staffing levels, and cultural climate (Gray & Wilkinson, 2016).

Practices. Practices refer to the methods used by executives and midlevel managers to create employee acceptance and support of organizational change (Lipman, 2016). In this study, practices are the methods used to implement the change effort.

Preserving self-interest. Preserving self-interest is defined as employees' reason for resistance to change. Employees believe that they are losing something valuable during a change effort. They are focused on the preservation of self or parochial self-interest (Kotter & Schlesinger, 2008).

Resistance to change. Resistance to change is defined as the negative reaction by employees to a change initiative (Chawla & Kelloway, 2004). The present study examined Kotter and Schlesinger's (2008) resistance-to-change model that illustrated the four main reasons employees resist change. This includes preserving self-interest, misinformation and misunderstanding, different assessment of the situation, and low tolerance for change.

Strategies. Latham (2017) defined strategy as a framework established to guide decision makers in their quest to achieve corporate goals. In this study, strategy is the structure, the plan used by executives and midlevel managers to create acceptance and support of change.

Supports. Supports come in the form of assistance provided by executive leaders and midlevel managers in the implementation of a change effort (Heathfield, 2018a).

Transformational change. Ackerman Anderson and Anderson (2010) defined transformational change as the most complex type of modification requiring a nontraditional approach. This type of change occurs when the organization realizes that its old approach is no longer effective and attempting to improve it will not deliver the organization's desired result.

Transformational leadership. Peter Northouse (2016) defined transformational leadership as a process wherein people are transformed to a new way of thinking or

behaving. It involves emotions, ethics, and beliefs. The process involves an assessment of employees' motivations and needs while treating them as human beings. The process requires engaging others, creating a strong connection to raise the level of inspiration and ethics in both the leader and the employee.

Delimitations

There were delimitations in the study related to the sample. The sample was restricted to executives and midlevel managers employed by the four IOUs in California. Expanding to other states presented recruitment challenges. Participants were selected due to convenience or referral.

Organization of the Study

This study includes five chapters. Chapter I provided an introduction and background of environmental changes affecting organizations, a statement of the research problem, purpose statement, research questions, significance of the problem, definitions, and delimitations. Chapter II offers a comprehensive literature review addressing the research questions. Chapter III describes the qualitative methodology used in the study, including an overview, purpose, research questions, research design, population, sample, instruments used, data collection method, analysis, limitations, and summary. Chapter IV examines executives' and midlevel managers' behaviors and their impact on managing organizational change initiatives in IOUs in California through the analysis of data collected. Chapter V is a summary of key findings, conclusions, implications, recommendations for future research in the area, and final reflections.

CHAPTER II: REVIEW OF THE LITERATURE

Overview

This chapter discusses organizational change including the reasons why organizations such as investor-owned utilities (IOUs) employ change endeavors, some of the types of change efforts implemented, and the implications to employees of such efforts. Included within the review are conditions that lead to the failure of major change initiatives and some of the reasons employees resist changes when proposed. Additionally, the role leaders play in change initiatives is also explored.

Major changes are occurring in the IOU industry in California. This chapter examines the type of changes implemented, strategies employed by these utilities, and the challenges they face. Change drivers are discussed in detail as is resistance-to-change models. A synthesis matrix is presented at the end of this chapter to aid in the organization of the literature.

This chapter explores the empirical research and literature related to leadership behaviors, practices, and strategies employed by organizations in the implementation of change efforts. Also discussed are the barriers organizations face, supports used in the implementation of change endeavors, and their impact in managing organizational change initiatives. This section also covers Kotter and Schlesinger's (2008) resistance-to-change model and methods to address opposition.

Managing Organizational Change

Durant (1999) stated that most people have experienced a dramatic increase in the pace of change. In the 1980s, most people were dealing with situations that they had never before faced. For years, customers presented minimal risk and required minimal

attention until external environmental developments drove organizations to initiate changes. Companies improved operations to become more competitive. Durant stated, “To succeed, the organization of the future must serve customers better, create new advantages and survive in bitterly contested markets. To stay competitive, companies must do away with work and processes that don’t add value” (p. 1).

Roth (2015), in her study, discussed the widely accepted principle that organizations must continuously adapt to the changing environment in order to stay in business. She stressed that with the increasing rates of change in the business environment, “an effective management of change processes is becoming more and more important, while at the same time the rate of failure of change programmes is high” (Roth, 2015, p. 12). In addition, Hodges and Gill (2015) described the current situation as an age of accelerated change and turbulence. The extent, pace, volatility, and effect of change are more obvious than ever before. The change concept itself has matured into a different acceptance. Hodges and Gill explained, “According to the Centre for Creative Leadership in the USA (CCL, 2012), change today is less a sudden and dramatic disruptive event and more a fluid and constant continuous process” (p. 4). Hodges and Gill continued,

Hammer and Champy (1993) supported this, in saying that “change has become both pervasive and persistent. It is normality.” However, despite the fact that change is constant, it seems that organizations, in some cases, have not improved their approach to managing it successfully. There is a widely held view that attempts to implement organizational change are predominantly unsuccessful (Beer, 2000; Elrod and Tippett, 2002; Kotter, 1995; Pettigrew et al., 2001). (p. 4)

Kotter and Schlesinger (2008) concluded that change efforts often face resistance from employees. Kotter and Schlesinger (1989) explained that employees see change as disruptive while managers see it as an opportunity (Strebel, 1996). They stressed that managers narrow-mindedness can cause serious complications (Kotter & Schlesinger, 2008). Employees' react to change in a variety of ways and it is necessary to assess the situation as accurately as possible, requiring thorough analysis (Kotter & Schlesinger, 2008). In Kotter and Schlesinger's (1989) resistance-to-change model, the four main reasons why employees oppose change were illustrated: preservation of self, misinformation and misunderstanding of the change effort, disagreement with the proposed change effort, and low tolerance for change.

Definition of Organizational Change

Gray and Wilkinson (2016) defined organizational change as any modification to business processes, organizational structure, employee staffing, and/or corporate culture. According to Roth (2015),

“Kotter (2007) explains change as the creation of a new system in regard to the process involved, which is also a statement focusing on the system. Another explanation states that change management is the process of continually renewing an organization's direction, structure, and capabilities to serve the ever changing needs of external and internal customers” (Moran & Brightman, 2001, p. 66).

This implies that change is not only a continuously ongoing process within an organisation, but also customer-driven. (p. 27)

Currently, organizations are experiencing dramatic changes as a result of technological advancements, globalization, economic crisis, workforce diversity,

government legislation, and shifting customer preferences (Cohen, 1999). The capacity to deal with change increases as a result of environmental shifts (Dentinger & Derlyn, 2009). To thrive in this forever-changing climate, organizations must continue to embrace successful organizational change strategies (Durant, 1999). Organizations must be prepared to deal with and sustain change in order to cope with fluctuating external factors. It is not enough to simply react to environmental vicissitudes (Dentinger & Derlyn, 2009).

Forms of organizational change. Organizational change can be distinguished by various characteristics involving the extent of change in terms of depth and continuity: episodic or continuous (Roth, 2015). Episodic change is an intentional extreme effort while continuous change is an ongoing process of very little modifications. Episodic change attempts to adapt quickly (Weick & Quinn, 1999). W.W. Burke (2011) defined the forms of organizational change as revolutionary and evolutionary. Revolutionary change is disruptive and produces loops. Evolutionary change, on the other hand, makes an effort to modify specific features of the business for higher performance (W.W. Burke, 2011). According to Roth (2015), “An important point is that the identity of the firm characterized by its mission, culture or main strategy remains unaffected by an evolutionary change” (p. 29). Another comparable distinction of change is that of technical versus adaptive change. Technical change requires the application of existing knowledge to resolve technical challenges. Adaptive change drives the organization to modify habits, beliefs, or the general idea of doing business including adjustment of values (Heifetz & Linsky, 2002). First-order and second-order learning are other forms of organizational change defined by Bartunek and Moch (1987). First-order learning is

characterized as single-loop learning involving unspoken reinforcement of present understandings while second-order learning is double-loop learning involving changes in values of theory-in-use (Bartunek & Moch, 1987).

Dimensions of change. Jarrett (2009) described the dimensions of change. Temporary change occurs when an organization employs change but reverts back to its previous style. Incremental or process change is the abrupt enactment of insignificant improvements. Organizational structuring is changes involving structures, fundamental systems, and relations within the business. Transformational or cultural change occurs when an organization redefines strategies, cultures, mindsets, and identities (Jarrett, 2009).

Types of organizational change. To effectively lead others, leaders must understand the types of change they plan to implement (Myatt, 2012). D. Anderson and Ackerman Anderson (2010) described the three types of change that occur in organizations: developmental, transitional, and transformational. Developmental change relates to the improvement of an existing skill or method. This type of change hopes to improve upon the current state of the organization. In transitional change, leaders discover new opportunities with which to better serve the current state of the organization. General recognition of this type of organizational change occurs when a problem arises. Transformational change is an extreme shift of approach, processes, and system, within an organization that dictates a change in behavior and mindset (Ackerman Anderson & Anderson, 2010).

D. Anderson and Ackerman Anderson (2010) found that technology and other market vicissitudes affect the nature of change efforts that then result in more complex,

radical, personal, and continuous change events. Transformational change emerges from this condition. Transformational change is the most complicated type of change taking place in organizations today. Most leaders lack the knowledge necessary to direct this kind of initiative resulting in various change-related problems. The lack of knowledge paved the way for change management practitioners to seek more efficient methods of planning, implementation, and overcoming employee resistance to change efforts.

D. Anderson and Ackerman Anderson stressed the importance of delving beyond change management and looking more closely into conscious change leadership. It is “time to develop the advanced change strategies that support this new type of change; time to move from managing resistance and implementation to co-creating a positive future through successful, well-run transformational change efforts” (D. Anderson & Ackerman Anderson, 2010, p. 459).

When Do Organizations Need to Change

Myatt (2012) believed that “the need for change exists in every organization” (p. 1). Companies must change in order to survive. Organizations that do not innovate and rethink their approach due to the influence of market changes and demands will fail (Myatt, 2012). D. Anderson and Ackerman Anderson (2010) explained, “Research shows that the majority of change efforts fail to produce their intended outcomes. This is unacceptable! Change leaders can improve—not just a little, but a lot” (p. 497). The ambiguity and risk that organizations face can be addressed by focusing on three areas: addressing the needs of their current customers, attracting potential customers, and better serving the organizations’ workforce while utilizing resources more efficiently. The most complex subject surrounding change is concentrating efforts in the right direction, for the

right reason, and at the appropriate time (Myatt, 2012). D. Anderson and Ackerman Anderson (2010) suggested that in order for organizations to be successful with change initiatives, it is vital to develop their change leadership competence. Organizations should maintain a normal level of improvement during change efforts. This is defined as a “normal improvement line” (D. Anderson & Ackerman Anderson, 2010, p. 692). Few leaders are aware of this. To define the level of improvement year after year, D. Anderson & Ackerman Anderson suggest that leaders track their change efforts impact levels and use the “normal improvement line” (p. 692) as a standard. The rise and fall of the improvement line will help the organization determine the level of their change leadership capability and or success (D. Anderson & Ackerman Anderson, 2010).

Organizational Change Drivers

Roth (2015) discussed the importance of determining and understanding the forces that cause organizations to change. Porras and Silvers (1991) explained that a fast-changing environment motivates companies to adapt to external vicissitudes. Following this idea, the more extreme the influence of external change, the more drastic the organization’s adjustment must be. Albeit this connection is not linear, it can be inferred that a collection of influencing issues deepens the necessity for the organization to change (Porras & Silvers, 1991). Roth (2015) added, “The organizational change process therefore can be considered as a reaction to events” (p. 32).

The change process. D. Anderson and Ackerman Anderson (2010) observed that external environmental factors continue to present economic challenges to organizations. This pushes leaders to cut corners, to do more with less, and to concentrate on their change priorities while making sure they keep customers mollified. In addition, leaders

must navigate social, technological, economic, and political shifts. D. Anderson and Ackerman Anderson (2010) said, “The name of today’s game is: ‘Change as fast as you can to stay ahead of your competitors!’” (pp. 416-418). As a result, leaders assign more work to their employees, with unending implementation of various change efforts contributing to more pressure in the workplace. Most generally they believe they must implement change efforts without adding resources, relying heavily on standard change practices for all projects regardless of complexity. Conventional approaches, such as project and traditional change management, may not always be adequate.

Consequently, many leaders’ commitment to upfront change strategy is seen as pretentious, lacking endorsement from employees, and motivated by quick fixes. There is too much delegation and a lack of clear design requirements for what must be achieved. Leaders pay insufficient attention to the human component of change: employees’ needs and reactions, implications of the change effort to the workforce, and the importance of engaging employees in determining their futures. Many leaders, when under pressure, believe that the human component is time consuming and requires vast resources, which they do not possess. Ackerman Anderson and Anderson (2010) stated, “People will just have to deal with it” (pp. 428-430). This approach is risky, particularly during an economic crisis, and encourages the tendency to exert extra effort that does not yield success. Nonetheless there is an opportunity to learn and develop a structure that may direct the organization toward success in achieving the desired result through a better understanding of past unsuccessful events (Ackerman Anderson & Anderson, 2010).

Change drivers. Changes in organizations are driven by a variety of aggressive forces that include modernization, maintenance of a competitive edge, new technology, ongoing profitability, and efficiency performance (Durant, 1999; Mehta, 2014). Benign drivers include harmonizing organizational standards and procedures, relocations, and new ideas from new managers (Gray & Wilkinson, 2016). Ackerman Anderson and Anderson (2010) identified these drivers as environmental forces that include government regulations, economic shifts, international relations, and social trends (see Figure 1, repeated here for ease of reference). These forces drive changes in the market place allowing consumers to demand better products or services. In response, businesses establish new strategies to meet new requirements. The new strategies require changes in the organization. If these changes are significant, the organization must transform in order to succeed with its change effort (Ackerman Anderson & Anderson, 2010).

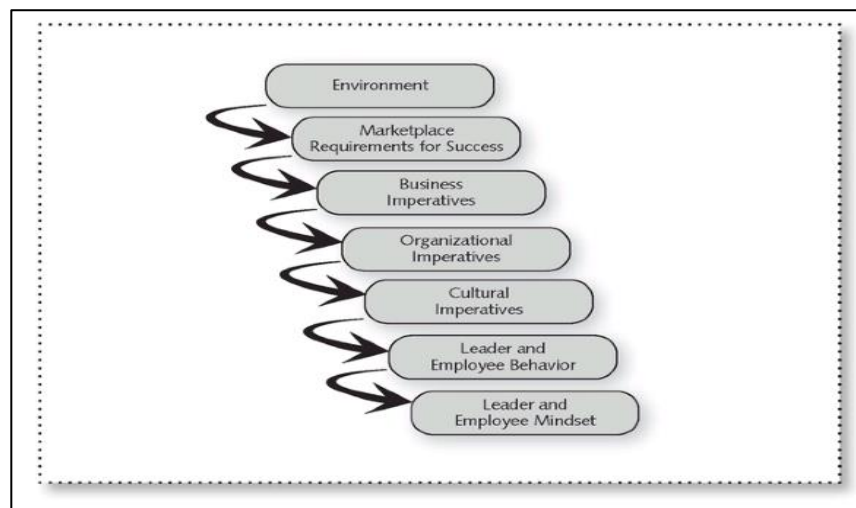


Figure 1. The drivers of change model. From *The Change Leader's Roadmap* (2nd ed.), by L. A. Ackerman Anderson and D. Anderson, Loc. 536 [Kindle version] (Amazon.com). Copyright © 2010.

Ackerman Anderson and Anderson's (2010) model defines how environmental forces may influence changes in the marketplace. Those changes motivate organizations toward the development of a strategic approach with the goal of successfully coping with the requirements triggered by ever-changing environmental forces. Significant changes will impact the organization's culture, mandating transformation in order to achieve and sustain a laminar flow that can result in minimum struggles or resistance within the organization. This requires the modification of employees and leaders' mindset so as to be able to operate in the new paradigm. Cultural change demands altering people's mindset, beliefs, and perceptions. To maintain these changes, it is necessary that the behavior of both leaders and employees embraces the efforts (Ackerman Anderson & Anderson, 2010).

Organizational Change Is Necessary

Richards (2018) discussed the importance of organizational change. Without change, businesses will fail to meet the needs of their customers because they will lose the competitive edge (Richards, 2018). Simon Berg, on the other hand, explained that one must experiment to achieve great things:

Let's say you have a theory about something: how to do something new, fix something that's broken, or improve something lackluster. If you don't change things (experiment), how can you ever make things better (find out the outcome of your test)? You don't have to know what the results will be to make a change. In fact, you usually won't know what outcome to expect. That's the compelling thing about change—you often end up with a result you would never expect. (Young Entrepreneur Council, 2016, para. 4)

Change is not easy especially in the workplace (The Overture Group, 2018). Employees become entrenched in the way they do things; they have a routine, a schedule, a habit that provides a feeling of comfort. This gives them a sense of ease, predicting exactly what their job entails. Kotter and Schlesinger (1989) explained that those affected by positive or negative change might experience an emotional instability. Individuals react differently and passively resist the change effort. The authors stated that one of the most common reasons change efforts face resistance is because of the perception that employees are losing something of value and oppose the effort to preserve the status quo (Kotter & Schlesinger, 1989). Max McKeown on the other hand stated that lack of change is not always a good thing (The Overture Group, 2018). The inability of organizations to change can lead to a stale, rigid work environment not able to rapidly and effectively adapt to new opportunities. This can obstruct innovative creative thinking that can lead to enhanced processes or the development of new products and service offerings. Max McKeown believed that “while change may be difficult, it can also be tremendously beneficial to both the company and the employees at the business” (The Overture Group, 2018, para. 1).

Threats and benefits of organizational change. Ready (2013) explained the need for organizations to make big changes. Companies that become comfortable in their ways will fall behind competitors and eventually will fail to achieve corporate objectives. Ready proposed that the best solution is to challenge the status quo and implement a large organizational change effort. He said, “There are obvious risks in this—and also hidden ones that are less recognized” (Ready, 2013, p. 1).

Basu (2018) clarified that changing business and economic conditions drive organizations to make adjustments in their business approach. He further indicated that change management is the blend of ideas and approaches in order to effectively plan and implement change efforts. The process of change involves the creation of a need to make modifications in the organization, the deployment of fresh policies and procedures, and monitoring of outcomes. Basu stated, “The main risk factor of any change process is that the new systems and procedures will not work and leave the company worse off than before” (p. 1).

Basu’s (2018) article also pointed out that resistance to change is a common risk factor. People are normally set in their ways and find it difficult to make changes. Eilam and Shamir (2005) clarified how employees’ difficulty in accepting change and modifying behavior can significantly delay change or result in failure. In addition to this, Eilam and Shamir discussed the effects of employees’ perception of change when it is discordant with their self-concept. This can result in employees’ tense behavior, loss of motivation, and other forms of opposition. They stated, “We can define a self-concept threat as input from social environment that is inconsistent with the individual’s self-concept and is perceived to threaten the individual’s ability to maintain and express his self-concept” (Eilam & Shamir, 2005, p. 402). Basu (2018) and Eilam and Shamir’s (2005) discussion is consistent with Kotter and Schlesinger’s (1989) resistance-to-change model, more particularly regarding employees’ perception of self-preservation over that of the organization.

Another risk explained by Basu (2018) is operational disruption, necessitating an approach to reduce the negative impact of change efforts by regulating the

implementation pace, “which will vary depending on the size of the company and the complexity of the project” (p. 1). Additionally, scheduling change efforts in phases and training employees can help reduce the financial blow to the organization (Basu, 2018). Forcing change can lead to failure. All levels of the organization must understand the need for change. Basu explained, “Employees and midlevel managers should understand why change is necessary, because without their buy-in, the change process may never succeed” (p. 1). He recommended that for change to succeed, leaders must find an endorser at every level of the organization (Basu, 2018). Leaders and managers who are involved and support change can propel the effort forward.

Some organizations embrace the culture of continuous improvement (Taylor 2018). These companies are constantly striving for excellence and challenging the status quo. Taylor (2018) explained:

Mistaking change for progress is similar to the common problem of mistaking activity for productivity. Every organization can be improved, no matter how well it is performing, but a manager should always ask the question, “How is this proposed change going to improve my organizations’ ability to achieve our key goals?” (p. 1)

Taylor (2018) also pointed out that organizational change is not free. He emphasized that every change effort is associated with an opportunity cost. There are tangible costs and tradeoffs involved. For instance, buying new computers means phone upgrades may have to wait due to budget constraints. Intangible costs include employee morale and customer satisfaction during the period of change. Organizations must determine if the cost of change outweighs the benefit of the effort (Taylor, 2018).

Change has influenced the way businesses operate today (Richards, 2018).

Without change, leaders would probably be wasting time dictating correspondences to their secretaries. Change can be unsettling in the beginning and eventually increase productivity. Richards (2018) added that change is vital because it enables “employees to learn new skills, explore new opportunities and exercise their creativity in ways that ultimately benefit the organization through new ideas and increased commitment” (p. 1). Furthermore, Richards pointed out that in order to prepare employees to deal with change efforts, organizations must analyze and make available the tools and training necessary to facilitate the development of new skills.

Alexander (2018) enumerated the benefits of change including personal growth, flexibility, improvements, life values, snowball effect, strength, progress, opportunities, new beginnings, and routines. A detailed description of these benefits is explained infra:

- Personal growth refers to learning new things during change effort implementation. New insights are discovered and lessons are learned even when goals are not realized.
- Flexibility is the product of dealing with frequent vicissitudes. New situations, settings, and people enable individuals to shift their behavior more frequently, resulting in the ability to cope more quickly to change.
- Change allows individuals to discover new opportunities and improve their current situation. Doing things differently allows progress.
- Change can enable an individual to reevaluate his or her life values and see situations from a different perspective.

- Change is difficult and frustrating leading some to give up. It is in these situations where small changes become important. Small changes add up and result in significant alterations.
- Change forces individuals and/or organizations into unpleasant periods. Living through tough times makes employees and organizations stronger.
- Change elicits progress. New opportunities are discovered as a result of change.
- While the outcome of change may be unknown, challenging the status quo can bring about new opportunities. Change presents new choices that can lead to better options.
- Change allows for new beginnings. Change allows a new approach resulting in a fresh start and excitement.
- Change breaks the routine to which people become accustomed. After some time, this can become boring and uninteresting (Alexander, 2018).

Managing the risk of organizational change. Gray and Wilkinson (2016) stressed the importance of optimizing the interactions of employees with one another, with operations, work environment, organizational structure, and management. This can affect change and must be examined with the same thoroughness as planning change itself. They stated,

Attempting to change too much or too quickly can make the cost of change, including the risks to safety, outweigh the benefits. This is even more important within organizations having major hazards to control, and where the consequences of loss of control can be disastrous. (Gray & Wilkinson, 2016, p. 338)

This is related to one of Kotter and Schlesinger’s reasons employees resist change. The authors stated that employees resist change because they may perceive that they do not have the necessary skills to implement a change effort successfully (Kotter & Schlesinger, 1989).

Impact of change on employees. Lee (2016) examined 15 factors affecting employee reaction to change (see Table 1).

Table 1

Fifteen Factors Affecting Employees Reaction to Change

#	Factors
1.	Control
2.	Predictability
3.	Clarity
4.	Understanding
5.	Meaning
6.	Time frame
7.	Degree of change previously experienced
8.	Organizational climate
9.	Relationship with supervisor
10.	Organizational relationship
11.	Personal relationship
12.	The ability/opportunity to work through one’s response
13.	Current stress load
14.	Self-efficacy
15.	Resilience

First is control. Lee (2016) stated that the degree of control a person has in a challenging situation enables that individual to cope with change better. The more control an employee has, the better his or her approach to change, uncertainty, and the challenges he or she faces. Conversely, Kotter and Schlesinger’s (1989) resistance-to-change model states that employees perceive change as a threat to job security, status,

and financial position. Employees believe that they are losing something valuable during a change effort (Kotter & Schlesinger, 1989).

Second is predictability. Predictability is the ability of employees to understand what will happen next. This is “what psychologists call ‘perceived control’. Even if they don’t actually have any control over what happens next, knowing what will happen creates the feeling of control, as opposed to the helplessness of not knowing what is going to happen” (Lee, 2016, p. 1). Kotter and Schlesinger (1989) stated that employees who do not understand why change is necessary may be struggling under a lack of information that may lead to resistance.

Third is clarity. Clarity is similar to predictability. Employee understanding of what is going on gives them a feeling of perceived control (Lee, 2016).

Fourth is understanding. There is a natural instinct to form an opinion about what is happening. The more an individual understands the reason behind a difficult situation, the more it creates the feeling of perceived control. On the other hand, employees who lack awareness of a situation may feel helpless, which creates anxiety (Lee, 2016). This also relates to Kotter and Schlesinger’s (1989) resistance-to-change model, misunderstanding, and lack of trust. Incomplete information or knowledge about the change effort can lead to employee suspicion. Employees’ inability to understand the consequences of the change effort can lead them to assume that initiative may be detrimental to them (Kotter & Schlesinger, 2008).

Fifth is meaning. Similar to understanding, employees who are aware of the reasons why a difficult situation is occurring and who understand the reaction of their organization to it may react more positively. For instance, a company that laid off

employees but explained that every avenue was explored with which to avoid the layoff gives some insight into the character and the leader's attitude toward its workforce. This approach can minimize employees' stress level (Lee, 2016).

Sixth is time frame. Employees who are not given ample time to prepare tactically or emotionally for a change effort experience are more stressed than those who are. Setting out a timetable reduces the level of stress.

The seventh factor is the degree of change previously experienced. Employees who experienced occasional changes in their life are not as affected as those who rarely encounter such events. Lee (2016) explained further that everyone has his or her own boundary with regard to how many serious changes can be experienced without feeling inundated. Consequently, employees who have experienced significant changes are more likely to be flexible than those who have not.

The eighth factor is organizational climate. Organizations that have a positive emotional ambiance elicit a more resilient workforce. This results in a more relaxed atmosphere during times of change (Lee, 2016).

The ninth factor affecting employees' reaction to change is their relationship with supervisors. Employees who have a good relationship with their supervisors are more likely to trust them and be more open. This promotes dialogue, reducing their stress and building resilience (Lee, 2016).

The 10th factor is organizational relationship. Good relationships in the workplace foster resilience. Employees who feel supported by others can handle greater adversities than those who feel uncorroborated (Lee, 2016).

The 11th factor is personal relationships with family and social network. Those employees who demonstrate healthy personal relationships with family and social networks tend to handle change better. For instance, a healthy personal relationship can have a positive impact while a poor personal relationship can have a negative implication during challenging times at work.

Other factors include the ability to discuss thoughts and feelings regarding complicated issues related to organizational climate, employee stress load affecting employees' capacity to handle more challenges, employee self-efficacy (an employee who believes he or she has the capability to achieve something will have a positive can-do attitude), and last is resilience. An employee's ability to not "sweat small things" helps him or her to perform better during demanding situations. He or she is less likely to stress and will bounce back from adversity displaying more flexibility to change (Lee, 2016).

Change is multifaceted and its effects are unpredictable. A well-planned change strategy can have unintended implications (Bateh, Castaneda, & Farah, 2013). A study conducted by Gray and Wilkinson (2016) suggested that "change is frequently seen as a threat by individuals in an organization and can have a significant effect on their state of mind, their commitment to the organization, and to their contribution" (p. 339). Change efforts that extend for a long period of time may present employee uncertainty that leads to the fear of job loss. Leaders must consider that human capital is a vital asset to any business. Employee needs must be taken into consideration in identifying the type of change effort, outcome of the initiative, and the transition period necessary for implementation (Gray & Wilkinson, 2016).

Research conducted by Bradutanu (2012) suggested that officers and management are adaptable and supportive of change efforts. They understand and provide assistance in the change process (Bradutanu, 2012). On the other hand, an article by Wittig (2012) discussed the three factors that influence employee reaction to change. These are employees' emotions and cognitions, communication, and employee participation in the decision-making process. During implementation of a change effort, employees tend to create their own interpretation of the change initiative and its implications. Negative interpretation can result in employee resistance to proposed changes. Employee defense mechanisms arise involuntarily as a result of their perception of danger in order to alleviate anxiety (Bovey & Hede, 2001). On the other hand, Vakola, Tsaousi, and Nikoloau (2004) stated that positive employee attitudes contribute to the success of any change effort. The success of most change efforts lies in the reaction of employees. Vakola et al. stressed that it is vital to clearly communicate important information pertaining to the change initiative. Effective communication reduces employee hesitation. A particular method of communication that intensely affects employees' response is their participation in the decision-making process. The key attributes of involving employees in the decision-making process include open communication, sharing of new ideas and visions, clear direction, mutual respect, and trust. Employees positively associate their participation in the process to their perception of fairness (Bordia, Hobmann, Jones, Gallois, & Callan, 2004).

Reasons Why Change Efforts Fail

Inasmuch as major change efforts have shifted organizational conditions, resulting in improving the competitive advantage, there are too many occasions where those efforts

have failed, wasted resources, and frustrated employees (Kotter, 2012). According to Gilley et al. (2009),

Research indicates that two-thirds of all organizational changes fail. They represent a tremendous cost to companies in money, resources, and time. Several of the common reasons for failed change programs include lack of commitment from the top, change overload, lack of incentives tied to change initiatives and lack of training. (p. 75)

Shore (2017) explained his thoughts on why change efforts fail. He stated that most leaders concentrate on the process while underestimating employee challenges. Kotter (2012), on the other hand, pointed out several reasons why organizations fail.

This include

- the lack of establishing a high enough sense of urgency,
- the lack of sufficient powerful guiding coalition,
- the inability to establish a sensible vision,
- under communicating the vision,
- allowing obstacles to block the vision,
- an inability to create short-term wins,
- declaring victory too soon,
- and neglecting to anchor changes firmly in the corporate culture. (Kotter, 2012, p. 132)

Cook (2014) and Newman (2010) enumerated some of the companies that have failed. The list includes Blockbuster, Kodak, Borders, Sears, and Pan-Am. These companies filed for bankruptcy or closed shop because they were unable to cope with

market changes. They also failed to recognize that their customers' needs evolved (Cook, 2014). Lessons from these organizations can be applied to many firms, large or small (Cook, 2014; Newman, 2010).

Leadership Role in Organizational Change

Yukl (2006) defined leadership as “the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives” (p. 21). Mehta (2014) stressed the importance of understanding how leaders lead, how they affect employees and the organization as a whole. An effective leader drives the organizations to succeed. Mehta added,

A leader needs to be a visionary, and the one that communicates the vision to the people. . . . Effective leaders use both power and persuasion to an extraordinary degree to help the followers identify their goals and finding ways in which these goals could be achieved. (p. 34)

Leadership Style

Kolzow (2014) defined leadership as the ability to influence individuals and organizations through a shared vision and the successful managing of change efforts aimed toward the realization of the organization's success. A study by Koppula (2008) suggested that because leaders have direct contact with employees, they influence them to stay engaged and motivated. In a transactional type of leadership, the leader motivates the employees by rewarding, praising, and promising something of importance. On the other hand, transformational leadership stimulates and inspires others to achieve extraordinary outcomes. This type of leadership helps others grow while developing the

leadership style of those they lead. They are concerned with the needs of the people they supervise and empower them. They align objectives and the goals of the individual, the leader, the group, and the organization. Transformational leadership has a positive influence to change efforts (Garcia, 2016).

A disquisition by Oreg and Berson (2011) discussed the decisions leaders render, how they are influenced by their traits and values, and how those decisions affect the beliefs and intentions of employees. A transformational leader can influence employee perception of change characterizing it as an opportunity rather than a threat (Oreg & Berson, 2011). Ackerman Anderson and Anderson (2010) categorically stated that leaders must expand their knowledge of transformational change:

Let go of or build off of their old approaches, and guide the process of transformation differently. In particular, they must transform their beliefs about people, organizations, and change itself; they must view transformation through a new set of mental lenses to see the actual dynamics of transformation; and they must alter their leadership style and behavior to accommodate the unique requirements of transformation. (p. 474)

Kolzow (2014), on the other hand, stated that the most effective means of influencing others is through communication. A leader's communication to his or her followers has a direct influence on their behavior and ability to follow directions. This process requires a clear vision on the part of the leader and the ability to drive employees toward a common goal. Kolzow also stated that a leader can only exercise influence if his followers are willing to march in the same direction. Kotter and Schlesinger (2008), on the other hand, stated that change efforts often face human resistance. The authors

stressed that while leaders are aware of the challenges that come with change efforts, only a few exert efforts to address these issues. Leaders' or managers' narrow-mindedness can cause serious complications. Employees react to change in a variety of ways and require thorough analysis (Kotter & Schlesinger, 2008).

Leadership Role and Vision of the Future

Organizations are better able to achieve goals through the direction of an effective leader. It is, therefore, vital to understand how leaders practice leadership and the impact they have on their employees and the organization (Mehta, 2014). The success or failure of an organization is directly attributed to its leaders' contributions. A leader inspires employees by clearly communicating his or her vision (Mehta, 2014). Employees are able to identify goals and determine opportunities to achieve those goals through the leader's power of persuasion. An effective leader also creates a climate that enables and enthruses employees to achieve the organization's objectives by ensuring that resources are available and by maintaining open communication (Mehta, 2014).

A study on the role of the leader-member exchange relationship in organizational change management described the direct association between the leader and employee. Arif et al. (2016) stated that the leader and employee share information, resources, time, and emotional effort giving the employee more autonomy in decision-making. This creates a positive relationship between both parties that leads to higher work effort, enriched empowerment, and more organizational commitment. The positive relationship between them plays an important role in the organization. On the other hand, an unhealthy relationship between the leader and the employee leads to reduced preemptive employee behavior, resulting in less commitment and inability to achieve organizational

goals (Arif et al., 2016). Kouzes and Posner (2006), the authors of *A Leader's Legacy*, described the importance of employees liking their leaders. Leaders who are liked have a healthier and lasting relationship with their employees, although being liked does not mean the leader must go along to get along. Leaders and employees may not always agree. Kouzes and Posner stated, "Leaders have to learn to be flexible with style and must also be firm on standards" (p. 49).

Ackerman Anderson and Anderson (2010) emphasized the challenge that organizations face; "Today's marketplace is not asking for just leadership. It is demanding change leadership—even more, conscious change leadership—a new breed of leader for a new breed of change" (p. 483). This type of leadership sees the future and is able to motivate employees to co-create. Conscious change leadership suggests that leaders must have a deeper awareness and consciousness of the subtleties of transformation particularly where it concerns people and process dynamics (Ackerman Anderson & Anderson, 2010). The "conscious change leader accountability model" (see Figure 4) is an illustration of areas that leaders must emphasize in order to succeed at transforming their organizations.

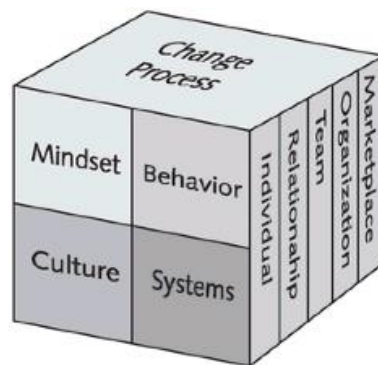


Figure 4. Conscious change leader accountability model. From *The Change Leader's Roadmap* (2nd ed.), by L. A. Ackerman Anderson and D. Anderson, 2010, p. 644 [Kindle version] (Amazon.com). Copyright © 2010.

The front side of the model is a matrix. The two quadrants on the left explain facets of internal reality, while the two on the right refer to external reality. The upper two quadrants, mindset and behavior, are the individual aspects, and the lower two, culture and systems, are the group aspects. Mindset is defined as the values, beliefs, thoughts, and emotions of the individual. Behavior includes work styles, skills, and actions. Culture is comprised of norms, climate, working, and relating. Systems incorporates structures, business processes, and technology. All these aspects must be addressed at all levels of the change process (Ackerman Anderson & Anderson, 2010).

Leaders' Relationship With Employees

Employees follow their leaders based upon their perception of the worthiness of their adoration, feeling of loyalty toward them, cognizance of their competence, and view of them as role models (Liborius, 2017). On the other hand, Kouzes and Posner (1993) examined the importance of alignment of values between the leader and employee. An employee will have difficulty following his or her leader if he or she does not share the same values, vision, and passions. The divide can raise questions about the leader's credibility. Instead, some leaders view shared vision and values as an opportunity to grow and develop new skills. This is a chance to find ways to work with those who have differing points of view. Kouzes and Posner shared the story of Elaine to illustrate this theory. Elaine's boss did not think highly of her work. This frustrated Elaine, particularly because she was a motivated employee and was recognized by other leaders in the organization as a star performer. Faced with this challenge, Elaine met with her boss and discussed how she defined good work. Through this discussion, both Elaine and her boss collaborated more closely. Over time, Elaine and her boss learned from each

other. They were able to align their ideals of good work. In this example, Elaine learned to adapt to the other person's style, and how to communicate in order to change the other individual's perception of her. According to Kouzes and Posner, "Experience is a great teacher, and not all experiences are going to be pleasant. Many will be filled with conflict and tension. Working with people with whom you have difficulty is a terrific laboratory" (p. 64).

How Leaders Implement a Successful Change Effort

Literature (Conner, 1999; Higgs, 2003; Higgs & Rowland, 2001; Kotter, 1996) indicates that the role of leaders in the implementation of change efforts significantly affects success. In addition, Finkelstein and Hanbrick (1996) found that the choices and problem solving approach of leaders are influenced by their beliefs and mindsets. Furthermore, research by Bass (1996) demonstrated a link between the behavior of the leader and supporters. In this study, the transformational component of idealized influence assumes the importance of articulating the desired future state and the method of realizing such (Higgs & Rowland, 2011).

A few studies (House, 1995; Kets de Vries, 1995) investigated the leader's role and behavior in the change process. These studies were generic in nature with the exception of a report by Higgs and Rowland (2001). Higgs and Rowland identified the following five leadership skills associated with the implementation of successful change efforts:

1. Creating the case for change by involving others in recognizing the need for change;

2. Creating structural change by ensuring that the change effort is founded upon the deep understanding of the challenges faced and is supported with the necessary tools and procedures;
3. Involving others in a holistic view of the change process and fostering commitment;
4. Employing and sustaining change by developing effective strategies and ensuring suitable monitoring and assessment procedures are developed;
5. Enabling and expanding capability: Ensuring that individuals are challenged to discover their own solutions and are encouraged to do so. (p. 127)

Higgs and Rowland (2011) explored this theory further and continued to study leadership behaviors and their impact on successful change implementation. These authors investigated 70 change scenarios in various venues. Their analysis saw the identification of three sets of behaviors.

1. Shaping behavior: The communication and actions of leaders related directly to the change: “making others accountable,” “thinking about change,” and “using an individual focus”;
2. Framing change: Establishing starting points for change: “designing and managing the journey” and “communicating guiding principles in the organization”; and
3. Creating capacity: Creating individual and organizational capabilities and communication and making connections. (Higgs & Rowland, 2011, p. 312)

How Leaders Communicate Change Efforts

Many organizations' attempts at change end in failure. Often disappointments are the result of ineffective communication leading to employee resistance (Richardson & Denton, 1996). Those affected by the change effort require quality information. An example of quality information is communication linkage and alignment with other units in the organization. Members of the organization have the ability to communicate their needs and concerns with their leaders. In so doing, leaders of the organization are able to manage and communicate appropriately with other units (Cushman & King, 1995).

Several studies examined various ways to achieve an effective communications process (Cushman & King, 1995; Kamarudin, Starr, Abdullah, & Husain, 2014; Richardson & Denton, 1996). This includes but is not limited to the role the CEO plays in communicating change efforts. Experts found CEOs must function as open communication champions (Cushman & King, 1995; Kamarudin et al., 2014; Richardson & Denton, 1996). Additionally, there must be consistency between what management preaches and its actions. All members of the organization must commit to two-way communication. Bel, Smirnov, and Waid (2006) recommended face-to-face interaction. In addition, responsibility is shared for employee input—good news or bad—and must travel up the chain of command encouraging interest, contributions, and the concerns of stakeholders. An open communication strategy is encouraged. These methods to achieve effective communication can result in a positive relationship between the frequency of communication in the organization and the implementation of a significant change effort (Bel et al., 2006).

Difference in style between leaders and managers. Kotterman (2006)

described the difference between leaders and managers. He stated that leaders are highly regarded and seen as charismatic. Often, their employees admire them. However, leaders are not immune to the expectations of their employees. This is because employees look up to their leaders for clarity, connection, and accountability, particularly during a period of change (Deshler, 2016). Qader's (2015) definition of a manager is someone who is responsible for the activities of a group of employees. He further explained that a manager motivates and mentors employees to achieve organizational goals. Often a supervisor reports to a manager (Oader, 2015).

Managers are viewed by employees as taskmasters with a whip and a bullhorn giving orders (Kotterman, 2006). Phillips (2009) discussed that most managers are good at their jobs but fall short when it comes to leading. He added that managers misinterpret managing situations with leading people. Managers avoid the involvement of emotions in decision-making and are driven by intellectual reasoning. In short, managers prioritize business over people (Phillips, 2009). Phillips further added that managers must understand the importance of the nonverbal cues they telegraph. These cues are viewed by employees and can trigger questions, such as is he/she smart, is he/she worth listening to, does he/she have a hidden agenda, and do I trust him/her (Phillips, 2009).

Managerial style and changes in the organization. Bel et al. (2006) pointed out that it is essential for managers to advocate for change with sufficient conviction, persistence, and energy to ensure the success of a change initiative. This type of manager is results oriented and more likely has the skill, passion, and drive to convince others to embrace the rhythm of change (Bel et al., 2006). Other types of managers are the

problem solving, the pitchfork, pontificating, presumptuous, perfect, passive, and proactive types (Rosen, 2017).

Kurzawska (2018) identified the positive outcome of persistence in leadership. This has a direct connection to the positive and proper treatment of employees. She further stressed that successful leaders are compassionate to their employees, concerned about their needs, and possess emotional intelligence on a high level. A persistent leader requires involvement and the will to always improve the outcome (Kurzawska, 2018).

Managers play several roles and significantly impact an organization's strategic direction in the implementation of necessary change endeavors. Bel et al. (2006) stated that while it is important to acknowledge that incentives offered to employees motivate them to embrace a change initiative, internal drivers for managers must not be neglected. Consequently, self-motivated managers who engage in change for its core value can be valuable in innovative organizations (Bel et al., 2006).

Bel et al. (2006) discussed that an organization's communication procedures can either complement or disrupt its change endeavor. Proper and timely delivery of information within the organization can promote change. Employees who are informed of the effort in a timely manner tend to support change. On the other hand, too much and too frequent communication can provide employees a forum for disagreement. This applies to intransigent managers who might be avid supporters of change but poor negotiators. It is vital for an organization to design its communication protocol to support its managers' styles (i.e., a results-oriented manager may need less communication with employees). According to Bel et al., "It is also suggested that there is no one-size-fits-all approach to organizational change" (p. 10).

How leaders involve midlevel managers in change efforts. Turner (2017)

explained that midlevel managers feel unprepared to lead change efforts regardless of the type of business they are in. She further explained that midlevel managers believed that their executive leaders acted defensively when questioned about a change effort. These employees also expressed that they received an abrupt response from executives when they asked questions about a change and were simply told to just get things done. Some executives called them resistant when they asked about the timetable of the change effort or implementation details. Turner found that a well-informed, prepared, and actively involved midlevel manager is critical to the success of any organizational change initiative.

Turner (2017) cited a study exploring why a multilevel change effort in a large financial institution failed. The study found that failure was a result of the negligence of executives to involve midlevel managers. As a result, midlevel managers were unable to engage other employees because they themselves did not understand the change effort (Turner, 2017).

Gilbert (2009) described the legacy role that midlevel managers play.

Traditionally, midlevel managers act as the link between executives and frontline employees. The nature of this relationship is transactional. Midlevel managers receive strategic direction from executives and translate those directives into bite-sized tactics that are handed down to frontline employees. Lower level employees are tasked with the implementation of these tactics. This method used to work. However, as external factors changed and affected business operations, a new matrix organization materialized. The new structure developed in response to the lethargic means by which traditional

organizational structures operate. Gilbert stated that the new approach was viewed as a panacea, enabling all workers to communicate with one another and get the work done. Advancement in technology made it easier for executives to skip midlevel managers and communicate directly with the workforce (Gilbert, 2009).

Employees' reaction to change efforts. Wittig (2012) explained that several factors influence employees' reaction to change. She also observed that it is expected that employees will react to change because it involves going from the known to the unknown. Bovey and Hede (2001) expressed that when employees react to change, it is vital to differentiate the symptoms of the reaction and the reason behind the reaction. Wittig's research identified three factors influencing employees' reaction to change. These are "employees' emotions and cognitions, communication, and employees' participation in decision making" (Wittig, 2012, p. 23).

Vakola et al. (2004) stated that employees' emotional reaction to change is essential because those with high levels of emotional intelligence have better experiences, such as success in their careers. They feel more secure and are more effective leaders. They adjust better to stressful events and display better coping strategies as compared to those with lower emotional intelligence.

Wittig (2012) pointed out that communication processes also affect employee reaction to change, particularly the frequency, mode, content, and flow of information. She also "argued that that the more embedded these processes are within management, the more effective the outcomes are because they enhance the quality of working relationships, harmony, and trust" (Wittig, 2012, p. 24).

Kotter and Schlesinger (1989) explained that change efforts often face employee resistance. Leaders and managers must be prepared to diagnose, predict, and address the four most common reasons employees struggle to change. “These include: a desire not to lose something of value, misunderstanding of the change and its’ implications, a belief that the change does not make sense for the organization, a low tolerance for change” (Kotter & Schlesinger, 1989, p. 295).

C. Anderson (2018) discussed the importance of involving employees in the decision-making process. She stated that when employees are engaged, they feel more empowered and are motivated to contribute to the success of the organization. Aside from this, the company is able to realize savings and increase productivity (C. Anderson, 2018).

Resistance to Change in the Workplace

According to Healthfield (2018b), “Resistance to change is the act of opposing or struggling with modifications or transformations that alter the status quo in the workplace” (p. 1). Healthfield described why employees oppose change. Employees resist the change effort when it is presented to them poorly, when they feel that their work is affected, and when they don’t agree that change must occur. There is also resistance to change when employees are not involved in the decision-making process. Employees who are more involved in the change effort are less likely to resist it (Healthfield, 2018b).

Leaders of organizations are determined to institute change efforts in order to cope with the impacts of innovation, legislation, customer demand, and workforce downsizing (Markovic, 2008). Strebel (1996) stated that in order to cope with these

changes, committed managers employ process improvement plans. Process improvement is defined as the task of examining current processes utilized by the company, department, or project to determine how they can be made more efficient. Some companies use process improvement philosophies, such as change management, to increase success and accelerate the implementation of change efforts while others use lean philosophies to eliminate waste. An example of this is Lean Six Sigma, a statistical model measuring processes in terms of defects (Pavord, n.d.).

Strebel (1996) further explained that management expects employees to be enthusiastic, accepting, and committed to the change efforts, embracing change management strategies. Unfortunately, employee acceptance of the change efforts that is anemic may be the result of communication breakdown and implementation plan failure. Strebel explained that this situation happens frequently. It is important to ask why and how this can be avoided.

M. Burke (2016), strategy vice president of E Source, in a utility web conference discussed the implications of resistance to change. He stated that the cost of resistance does not only delay the project but also fails to achieve objectives. Resistance results in employee abandonment of the project, decline in productivity, increased absenteeism, loss of valued employees, inefficient workforce, unforeseen costs, and at all times, the prospect of other risks surfacing. He stated that with change, it is almost always expected that productivity declines while resistance increases (M. Burke, 2016). M. Burke described the impact of change using the Prosci® flight risk model (see Figure 5).

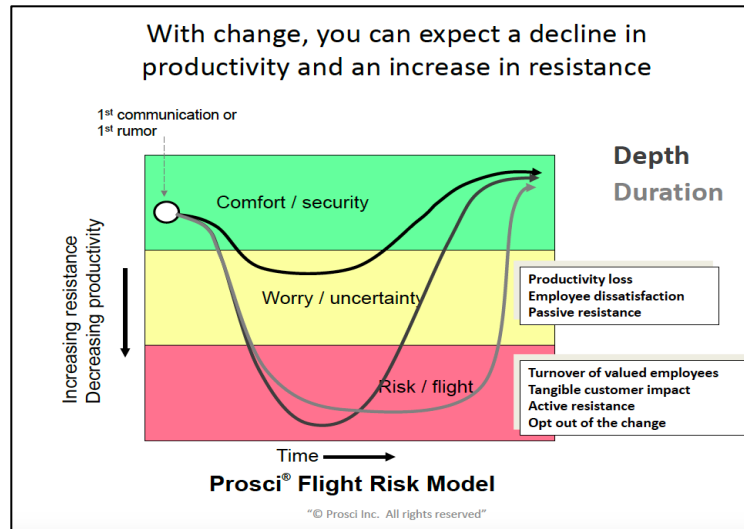


Figure 5. Prosci® flight risk model. From “Utility Change Management: Resistance Management,” by M. Burke, May 26, 2016, in S. Silzer, *Change Management for Utilities: The Why and How*. Symposium conducted at the E Source, Web (<https://www.esource.com/members/ES-WC-2016-03-ChangeMgmt/Web-Conference>).

The Prosci flight risk model illustrates employees’ reaction to a change effort. This model demonstrates that employees’ productivity declines after a change effort is introduced. As leaders manage the change effort effectively, productivity loss is mitigated (M. Burke, 2016). The model consists of three regions. The first region is comfort and security, which is the normal work or status quo. In this region, employees feel secure in their current work status and environment. This is the area with optimal productivity and normal employee work behavior. The second region is worry and uncertainty. Employees are concerned about the changes taking place and are distracted. Their morale may decline and evidence of passive resistance is noticeable. Productivity loss is apparent. The third region is risk or flight zone. Some employees show an active resistance to change while others choose to leave the organization. The change initiative is at risk of failing (Creasey, 2018).

On the other hand, Strebel (1996) found that resistance stems from employees' and managers' differing views in relation to change. While both parties understand that vision and leadership help drive a successful change effort, only a few leaders recognize the manner in which employees commit to the effort. Senior executives view change as an opportunity to build a stronger organization through the alignment of operations with strategy, confronting new challenges and risk (Strebel, 1996). It also may afford an opportunity to improve their careers. Employees and midmanagers, however, shy away from change. Change is seen as disruptive and intrusive (Strebel, 1996).

Dimensions of resistance to change. Roth (2015) stated that resistance to change could be better understood through the construct of three dimensions. These are behavioral, intentional emotions, and cognitive (Piderit, 2000). To illustrate, behavioral is the undesirable employee conduct in response to the change effort (Bartunek, 1993; Coch & French, 1948), emotional involves employees frustration and anxiety that can result in aggression (Coch & French, 1948), and cognitive is when resistance is triggered by negative thoughts or reluctance to change (Watson, 1982).

Resistance in the different phases of change. M. Burke (2016) discussed the phases of change: current state, transition phase and future state. In the current state, employees are comfortable. They invested time to learn the process or their job, and while the current state is not perfect, employees know how to maneuver and be successful within it. In the future state, there is fear of the unknown. Employees are unsure if they will be successful. The uncertainty brings stress to employees and becomes a major reason for resisting the effort. The transition state is between the current and future state, a difficult phase. In this stage employees come to see that

things will get worse before they get better. They also believe they do not need or have the time to learn something new. Within this stage, change efforts may shift direction, and therefore employees do not want to invest the time necessary to learn. Resistance appears different in the three phases of change (M. Burke, 2016).

Reasons employees resist change. The research conducted by E Source indicates that lack of awareness about why change is necessary is the number one reason employees resist the effort. This also ties in to Kotter's eight-stage process of change in relation to sense of urgency. Kotter explained that a sense of urgency must be established in order to gain cooperation:

Transformations usually go nowhere because few people are interested in working on the change problem. With low urgency and awareness of the change effort, it is difficult to put together a group with enough power and credibility to guide the effort or to convince key individuals to spend the time necessary to create and communicate a change vision. (p. 35)

The second reason employees resist is disagreement with the change effort. The benefits of the initiative do not clearly appear to employees. They are not engaged; therefore, their commitment to the effort does not follow. Another reason employees resist is overload due to saturation. Too many change efforts in an organization may satiate employees who then withdraw from the effort. Fear of job loss, uncertainty, and lack of leadership support are also reasons employees oppose change efforts (M. Burke, 2016).

Kotter (2012) explained that the biggest mistake organizations commit is allowing too much complacency. He stated that organizations plunge ahead in change efforts

without first establishing a high enough sense of urgency in fellow managers and employees. Organizations overestimate on how much they can force through big changes. They forget that it is difficult to drive employees out of their comfort zone to embrace a new way of doing things. Kotter stated, “They don’t recognize how their own actions can inadvertently reinforce the status quo” (p. 5).

Hiatt (2012) discussed a variety of reasons employees resist change. He stated that employees resist change because they are not aware of why it is necessary. Resistance to change is manifested when employees lack understanding of the nature of the change effort and when they are not previewed to the reasons it is occurring. According to Hiatt, “Employees resisted more when they did not have the answer to the question ‘what’s in it for me?’ or WIIFM” (p. 1234). Aside from this, employees resist change when it affects their current job, and they perceive that the new approach will result in increased workload, failure of past change efforts leading to lack of employee commitment to the current change, lack of visible support and commitment from managers, and fear of job loss (Hiatt, 2012).

Stickland (1988) described resistance to change as an ongoing problem for leaders and managers. According to Hodges and Gill (2015), “People will often resist change out of genuine self-interest, knowing that the change will have adverse effects on them and others in the organization” (p. 446). Adenle (2011) believed that employees resist change in the workplace because of bad management of change. She added other reasons, which include job loss, bad communication strategy leading to lack of employee understanding why change is necessary, shock and fear of the unknown, loss of control, lack of

competence, poor timing, lack of reward, office politics, loss of support system, and prior change experience (Adenle, 2011).

J. Crowley (2017) explained his theory on why employees resist change. He stated that it boils down to communication. He said, “The purpose and nature of the change needs to be clear, and openly discussed. . . . Without this dialogue, there will likely be an element of perceived unfairness, as well as a degree of anxiety due to uncertainty or ambiguity” (J. Crowley, 2017, para. 6).

J. Crowley (2017) also stated that employees’ fear of the unknown is a contributing factor to resistance to change. Employees’ lack of understanding on how the change effort will benefit them leads them to think that the effort will impact them negatively. Lack of transitional support is also a factor. By enabling employees to see all the benefits the change effort will bring, leaders and managers can sway them to embrace the effort. Employees, when presented with change, think they are losing something. This leads to grieving about how things have been resulting. J. Crowley listed other reasons employees resist change: employees feel challenged, replaced as the experts, pressured to change, they were not consulted or involved, and change affects employees unfairly.

Bradutanu (2012) stated that any change, regardless of how it appears to benefit employees and the organization, will often be met or sabotaged by resistance. It is viewed that the enemy of any change process is resistance. She added that resistance to change is a phenomenon that is pervasive in any change effort and an obstruction affecting the process. She stated, “Resistance to change represents a natural reaction of the people, which is why it is expected. Many reasons of resistance to change are due to

human nature, but most of them are affected by life experiences” (Bradutanu, 2012, p. 1264).

Employees’ perception: Change is disruptive. Ackerman Anderson and Anderson (2010) spoke to the fact that change is part of life. Nothing is constant. Change could either move toward an individual’s intended plan or move in the opposite direction. Nevertheless, most people believe change is bad and will result in an undesirable experience. Ackerman Anderson and Anderson stated, “Leaders often talk of ‘getting change over with,’ minimizing its disruption, and overcoming people’s resistance to it” (p. 718). Change is uncomfortable for most people and resistance to it is a common occurrence (Smith, 2014). Smith (2014) mentioned that fear and anxiety are a common response to change efforts. People experience an internal conflict. On one hand is a desire to improve one’s current state, and on the other, needing stability, free from chaos (Smith, 2014).

According to Strebel (1996), “Employees and organizations have reciprocal obligations and mutual commitments, both stated and implied, that define their relationship. Those agreements are what I call personal compacts, and corporate change initiatives, whether proactive or reactive, alter their terms” (p. 1). Managers should not expect employees to fully support a change effort if they cannot define and persuade their staff to adjust their personal compacts. The misalignment of personal compacts can result in employees undermining their managers’ authority and plans (Strebel, 1996).

Hodges and Gill (2015) explained that it is necessary for managers to describe the future state and benefit of change efforts to employees. Employees must be able to recognize from the outset the business benefits of the change effort. The authors further

stated that although employees may recognize the business benefits, they may not view the change effort to be attractive due to the disruption and uncertainty it presents (Hodges & Gill, 2015). Managers must concentrate more closely on how employees perceive the change effort—“what’s in it for them” (Hodges & Gill, 2015, p. 57).

The most resistant group in the organization. M. Burke (2016) pointed out that most employees do not have an opinion about a change effort. More likely, change efforts come from executives down to midlevel managers, then to frontline employees. Research by E Source found that most resistance comes from midlevel managers who have the hardest job in the organization. They get their orders from executives and then face major challenges from frontline employees resisting the effort (M. Burke, 2016).

In the graph shared by M. Burke (2016; see Figure 6), he illustrates that midlevel managers are the most resistant group followed by frontline employees, and then senior-

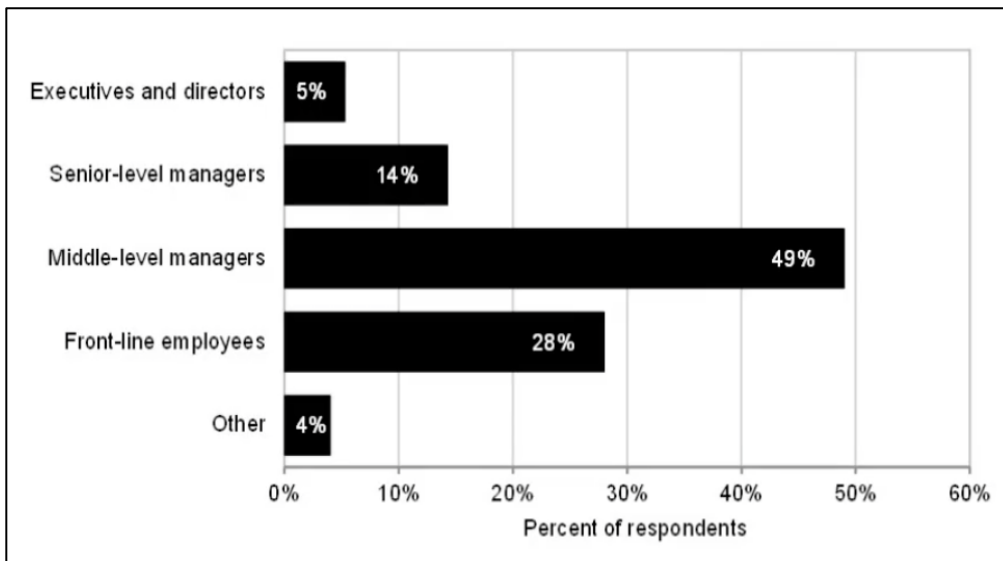


Figure 6. Most resistant group. From “Utility Change Management: Resistance Management,” by M. Burke, May 26, 2016, in S. Silzer, *Change Management for Utilities: The Why and How*. Symposium conducted at the E Source, Web (<https://www.esource.com/members/ES-WC-2016-03-ChangeMgmt/Web-Conference>).

level managers. Executives and directors have the least number of respondents resistant to change. Executives and directors play a critical role in helping address the resistance downstream (M. Burke, 2016).

Organizational Readiness to Change

Stagl (2016) succinctly defined change readiness as the state where all obstacles to change have been eliminated and the organization is now ready to implement the change effort. Combe (2014) postulated that change readiness is subjective in scope, degree, and in the eye of the beholder. She stressed that there are two points of view to readiness. First includes the organization's pecuniary, material, human, and source of information that is needed in the implementation of the change effort. Second is involving the mental state of employees to willingly cooperate for change to come to fruition. More often, these two points of views do not go hand in hand (Combe, 2014).

Weeks, Roberts, Chonko, and Jones (2004) and Schafer (2010) discussed the change process based on Lewin's change concept of unfreezing, aligning, and refreezing. These authors shared the importance of emotionally involving managers and employees in the implementation of change efforts (Schafer, 2010; Weeks et al., 2004). Through this, an atmosphere of readiness is created in dealing with the forthcoming implementation of the change effort. Furthermore, new leadership competencies are developed. In addition to this, Weeks et al. (2004) stated that the emergence of novel habits could give way to a new way of thinking that may lead to employees' change readiness (Roth, 2015).

Armenakis and Harris (2002) explained the three phases necessary in the creation of organizational change readiness. The first phase is employees' acceptance and support

of the change effort. The second phase involves employees' adoption of the change effort; it is at this phase when the change effort begins. Institutionalization is third. This is when the change effort becomes the new status quo (Roth, 2015). Weeks et al. (2004) added that it is important for employees to accept the perception that the change effort is necessary and useful to them. Armenakis, Harris, and Field (1999) highlighted that in order to create readiness and motivate others to embrace the change effort, the message to communicate the outline should be used as the guiding framework. Roth (2015) stated that change readiness is mandatory in the implementation of change efforts.

Combe (2014) discussed concepts to define change readiness. She expressed that "change readiness is a measure of confidence, backed by defensible data and information. This concept acknowledges that readiness is a perception, and is measured both by judgment and by more structurally sound data" (Combe, 2014, p. 1). Combe also revealed that there are three factors that affect organizational change readiness. The first is alignment of the organization's cultural climate with that of the intended change effort. The second driver affecting readiness is commitment of leaders and employees from all levels, ensuring support and successful conclusion of the change effort in alignment with the organization's holistic goals. Third is the capacity of the organization to support change efforts. This includes the necessary supportive work processes, knowledge, experience, skills, abilities, and resources to successfully implement and maintain the change (Combe, 2014).

Stagl (2016) enumerated the four types of change readiness. These are individual, organizational, project, and change readiness. Individual readiness refers to the people in the organization who are embracing the change and marching in the same direction to

successfully implement and sustain the effort. Organizational readiness involves the system in which employees work. This can include necessary mechanisms to implement and encourage the change, effects on customer experience, and cultural factors that can obstruct or support the change effort. Project readiness requires the assessment of the measures and plans to institute the change effort, making sure that resources are available to complete and sustain the project. Change readiness requires that the person implementing the change is confident, committed, and believes in the effort. Stagl stated, “If people are ready for change, then they will. If they aren’t ready, then you’ll encounter what seems like resistance” (p. 1).

Organizational Readiness as a Success Factor

In a research study by Jarrett (2009), 5,000 executives from various industries and regions were surveyed; at the conclusion of the survey, Jarrett learned that change readiness is important to organizational change success. He highlighted that internal competence to change present in organizations’ practices, procedures, and inherent knowledge is vital to change success (Jarrett, 2009). Weiner (2009) explained that “when organizational readiness for change is high, organizational members are more likely to initiate change, exert greater effort, exhibit greater persistence, and display more cooperative behavior. The result is more effective implementation” (p. 1). The article also mentioned that if organizational readiness is lacking, employees perceive the change effort to be detrimental and therefore may oppose participation in the process of implementing the change (Weiner, 2009).

Resistance to Change Versus Readiness for Change

Roth (2015) indicated that comparing resistance to change and readiness for change is basically looking at these two theories from both a pessimistic and an optimistic point of view. Resistance to change elucidates why change efforts fail and change readiness explains the positive conditions in facilitating change. Armenakis et al. (1999) differentiated between the two ideas. He stated that readiness for change is created by the reduction or elimination of resistance. To create readiness for change, proactive involvement of managers is necessary. They must become coaches and/or ambassadors of change. This is different from the idea of waiting and observing change opposition to take place and then reacting to it. Roth stated, “The change process is understood as a dynamic, proactive and systematic, thus suggesting a different view on change” (p. 44).

Beer (2009) stated that fear of losing power, prestige, esteem, and position can result in resistance to change. In addition to this, resistance is a defensive behavior opposing new alternatives. Eden (1986) found that creating optimistic expectations is important in establishing readiness. This theory reinforces the positive nature of the readiness to change concept.

Theoretical Background

Kotter and Schlesinger (2008) diagnosed employees’ resistance to organizational change. They concluded that change efforts often face human resistance. While experienced managers are aware of these phenomena, the fact remains that only a handful of managers may invest time to assess the situation. Instead of systematically evaluating the circumstances and leveraging historical information and experiences, managers limit

their approach to theories like “engineers will probably resist the change because they are independent and suspicious of top management” (Kotter & Schlesinger, 2008, p. 132) or they use a one-size-fits-all approach, which often backfires. The authors stressed that managers’ narrow-mindedness can cause serious complications. This is because employees react to change in a variety of ways, and it is necessary to assess the situation as accurately as possible, requiring thorough analysis (Kotter & Schlesinger, 2008).

Kotter and Schlesinger (2008) explained that before any change approaches are used, it is vital to first understand the reason why employees resist. They suggested, “To lead change, tailor your strategies to the types of resistance you’ll encounter” (Kotter & Schlesinger, 2008, p. 131). In connection to this, the change model developed by these authors illustrates the four reasons employees resist change covered infra.

Kotter and Schlesinger’s Resistance-to-Change Model

Kotter and Schlesinger (2008) explained that one of the main reasons employees resist change is because they put themselves first over the organization. They believe that they are losing something valuable during a change effort. They are focused on the preservation of self or parochial self-interest. This type of resistance can sometimes result in politics. For example, establishing a new position that will eliminate an existing responsibility of an employee can be seen as a threat creating the fear that he or she is dispensable. The fear employees feel can drive them to politically sabotage the establishment of the new position by soliciting others to join their cause or by simply undermining the effort.

Misunderstanding and lack of trust are reasons for resistance based on Kotter and Schlesinger’s (2008) model. This materializes as a result of incomplete information or

knowledge about the change effort. In addition, inaccurate information can also lead to resistance. Employees' inability to understand the consequences can lead them to assume that the change effort might be detrimental to them. This type of situation often occurs due to lack or absence of trust between the person prompting the change effort and the employees.

Low tolerance for change may also drive employees to obstruct the effort, as explained by Kotter and Schlesinger (2008). Employees resist change because they may be under the impression that they do not possess the necessary skills and behaviors to handle the change. They fear they will not be able to cope and develop new capabilities. The authors highlighted that people are confined in their ability to change. Some can cope better than others (Kotter & Schlesinger, 2008). Organizational change unconsciously demands employees to change considerably in a short period of time. According to Van Vliet (2011), "Working in a certain way for years means security and stability. Employees find it hard to exchange this for the unknown" (p. 1).

Different assessment of the situation is another common reason employees resist change efforts. Managers or those implementing the change effort and employees have a different point of view of the situation. Employees may perceive the change effort as something that would cause them problems rather than benefits, thereby resulting in resistance (Kotter & Schlesinger, 2008).

The assessment of the reasons employees resist change can help managers diagnose the most appropriate method to address these issues. Kotter and Schlesinger (2008) observed that educating employees on the reasons behind the resistance could help to overcome the difficult predicament. The authors mentioned that the process of

education could involve one-on-one dialogues, group presentations, memos, and reports (Kotter & Schlesinger, 2008). They further added that an education and communication program might be appropriate when obstruction to change is grounded on incomplete or incorrect information (Kotter & Schlesinger, 2008). Kotter and Schlesinger's resistance-to-change model is illustrated in Figure 3 (repeated here for ease of reference).

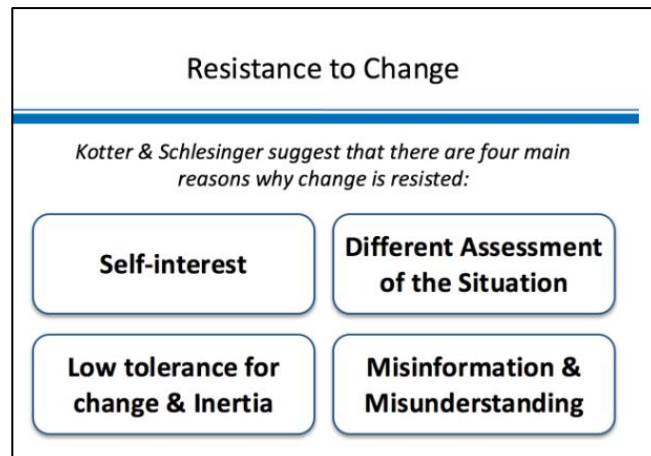


Figure 3. Kotter and Schlesinger's resistance-to-change model. From "Choosing Strategies for Change," by J. Kotter and L. Schlesinger, 1989, in D. Asch and C. Bowman (Eds.), *Readings in Strategic Management*, p. 130. London, England: Palgrave.

Turning Resistance to Change Into Sustainable Commitment

Thomas and Hardy (2011) observed that the study of resistance to change is evolving. A better understanding of this area will contribute to organizational change success. Piderit (2000) stated that the adverse reaction to change efforts might be inspired by the good intentions of employees. He further explained that midlevel managers in particular have the opportunity to make a positive contribution to the change effort by asking questions helping them to better understand the purpose of the change effort (Piderit, 2000). According to Van, Oreg, and Schyns (2008), "Similarly, participation by employees and other stakeholders can enhance change initiatives by

challenging taken for granted assumptions” (p.313). In this way, it is argued, resistance can, despite challenging change agents, lead to better change and, consequently, is to be encouraged, even celebrated (Dobosz & Jankowicz, 2006).

Kotter (2012) discussed the successes some companies achieved in the implementation of change efforts. He explained that some organizations employed new approaches inspiring acceptance of change efforts: “In the process, they have been saved from bankruptcy, or gone from middle-of-the-pack players to industry leaders, or pulled farther out in front of their closest rivals” (Kotter, 2012, p. 19). Two important patterns surfaced when these success stories were examined. First, it was identified that there is a relationship between effective change and multistep process, producing strength and inspiration adequate to engulf the causes of inertia. Second, high-quality leadership is necessary to drive the change process effectively. Exceptional administration of the change effort is not enough.

Kotter (2012) defined the eight-stage process that should produce successful change of any size. The steps include

Establishing a sense of urgency, creating the guiding coalition, developing a vision and strategy, communicating the change vision, empowering a broad base of people to take action, generating short-term wins, consolidating gains and producing even more change, and institutionalizing new approaches in the culture. (Kotter, 2012, p. 21)

Kotter further stated that the status quo is melted by the first four stages. Stages 5 to 7 present new alternatives and the last stage institutionalizes the change.

Utility Industries Facing Major Changes

The utility industry, like many other businesses, is experiencing dramatic change (Cohen, 1999). The rising concern regarding the connection between greenhouse gases and global warming has given rise to legislation encouraging the utility sector to embrace the use of renewable energy, such as wind and solar, to reduce carbon emissions. At the same time, new technologies, such as energy efficient appliances, smart meters, and smart grids, have given customers better insight and control of their energy use. These changes, while benefiting the environment and customers, have driven up costs, depressed energy demand, and hurt the profits of utility companies (Salvaterra, 2016).

The digital age gave way to an on-demand economy, mobile generation, analytics, big data, and social media allowing customers to take on a proactive role as they relate to the utility industry. Customers are now overseeing, managing, generating, consuming, possibly storing and balancing electrical loads through “distributed energy resources (DERs)”¹ (para. 1). These changes have challenged the utility industry to adapt and adjust its approach in a manner that places the customer at the center of the transformation (Kightlinger, 2018).

California Is America’s Energy Leader

Suh (2017) stated that “California is about to make history by leading the way to the future” (p. 1). Suh observed that the state is utilizing all available efforts to provide 100% clean and renewable energy by 2045. Senate Bill (SB) 100 known as the “Clean Energy Bill,” is aimed at providing 60% renewable electricity by 2030 (California Legislative Information, 2018). This mandate proposes 50% renewable electricity by

¹Includes renewable and sources of generation, energy storage, and behavioral mechanisms like demand-side management.

2026, which is 4 years earlier than originally planned. The state is on target to achieve its goal to provide 100% clean and renewable energy. California continues to be the global leader in the transition to cleaner, smarter ways to power the future (Suh, 2017).

Nikolewski (2016), a reporter from the *San Diego Union Tribune*, agreed with Suh's (2017) statement. He stated that California is the dominant state in America when it comes to developing a clean-energy economy and promoting green energy (Nikolewski, 2016). He further affirmed that California ranks among the top five in the world in relation to energy productivity, electricity from renewable resources, and reduction in its carbon footprint.

A nonprofit organization, Next 10, commissioned the California Green Innovation Index in which the state gained high marks for solar generation, energy, electricity efficiencies, and growth in clean technology investments (Next 10, 2016). The Los Angeles-based research firm, Beacon Economics, compiled the index. The index also highlights figures such as 30% drop in emission. The report also emphasizes solar energy generation. The study highlights that in the last 5 years solar generation in California has grown by 1,378% and the greenhouse gas footprint fell by 0.62%. Greenhouse gas emission is on a downward slide while population, car ownership, and statewide economy continue an upward trend. The report pointed out that "California is the center for innovation related to coming up with different products and services that can reduce greenhouse gas emissions through the creation of new companies" (Next 10, 2016, para.17).

California Investor-Owned Utilities (IOUs)

The history of utility regulations in the United States began in the late 19th century. At that time, gas and electric companies were subject to partial regulatory oversight. In the 20th century, utilities were subjected to more stringent regulations, and by 1940, the majority of gas and electric companies in the United States were regulated by the state and federal governments. There are several theories behind the institution of government regulation of utility industries. The first was as a result of technological changes that gave way to alternative governance. Second were ideological changes that drove legislators to approve state-oriented solutions. The third theory was due to the work of Mancur Olson (1982). He argued that over time organizations tend to decelerate financial growth as established interest groups work to secure a greater share of society's resources (Troesken, 2006).

According to the California Energy Commission (2018), "Investor owned utilities (IOUs) are private electric and natural gas providers" (p. 1). In California, the California Public Utilities Commission (CPUC, 2018) is the government entity regulating investor-owned electric and natural gas utilities, protecting consumers, and safeguarding the environment. California IOUs include Pacific Gas and Electric (PG&E), San Diego Gas and Electric (SDG&E), Southern California Edison (SCE), and Southern California Gas Company (SoCalGas; California Energy Commission, 2018).

According to Peevey (2010), "The CPUC was created nearly 100 years ago as a constitutional agency to protect consumers from the abuse of monopoly power" (para. 1). The CPUC first regulated the railroad monopoly in the 1910s and 1920s. Today, they regulate the state's electric, gas, and telecom companies. In so doing, California

consumers have been protected from the abuse of monopoly over power controlled by a very few (Peevey, 2010).

In 1996, the California utility industry turned to the open market due to the introduction of competitive measures. The CPUC lifted the cap on wholesale prices that allowed utility rates to float on the free market subject to supply and demand. PBS SoCal reported the following on its TV show *Frontline*,

In addition to changing pricing policy, the public utilities were also encouraged to sell off their generating plants to private companies. These sales created more suppliers of power and thus more competition. For a few years, the price of energy did fall, before spiraling to its highest price ever. (“Deregulating the Power Industry,” n.d., para. 1)

To protect consumers, regulations exist and play an important role in an industry where there are only one or two competing businesses. PBS SoCal explained,

Until deregulation in California, this situation described California’s energy market—three utilities provided electricity to three distinct regions. The fear is that so-called monopoly industries will abuse their market power and gouge customers who have little choice but to pay high prices on demand. In other words, the government acts to balance the market power of monopolies or near monopolies in crucial industries such as electricity, natural gas, telecommunications, and airlines. In the case of electricity, for example, the Federal Energy Regulatory Commission (FERC) has a duty to ensure that wholesale electricity prices are “just and reasonable.” (“Deregulating the Power Industry,” n.d., p. 1)

A white paper from the CPUC stated that more than 85% of customers will be served by entities other than IOUs by 2020. Regulators are considering the possibility of returning to some form of competitive retail choice. Competitive retail choices include existing retail energy access programs, to city and county community-choice aggregators (St. John, 2017). While the big IOUs in California remain the dominant provider of energy, they are losing their market share to existing retail industry access programs, city, and county community-choice aggregators, rooftop solar, and other distributed energy resources (CPUC, 2018). Trabish (2018) stated, “This is a looming market disruption of unprecedented proportion” (para. 7). The changes in the IOU sector are now occurring without a coherent plan to deal with the challenges that new competition poses, such as renewable procurement rules, reliability requirements, and consumer protection (St. John, 2017). St. John (2017) stated that challenges that the industry was facing were the result of the success of energy-efficiency policies, which reduced growth in demand for energy and the policies that advocated solar power.

Challenges the utility industry is facing. A news article from *Energy Times* (Krohne, 2016) on utility companies trending changes indicates that the industry is facing major challenges brought about by market vicissitudes, such as the rising popularity of renewable energy, government regulations, demand changes, consolidation, increased competition, digitalization of the market, remote metering, and smart grid technology. These changes pressed the utility sector to adjust its processes and business models, such as communicating with their customers early about changes affecting their service, offering opt out opportunities for certain programs, and collaborating with community leaders. They encouraged their employees to become community ambassadors, and use

real-time customer data to determine outage are just a few of the changes observed (Carson, 2018; Krohne, 2016).

According to Carson (2018), “While participants in this industry reported high maturity in terms of budget and integration, they fell behind . . . in regards to dedicating a resource to change management” (p. 1). In general, utilities are traditionally known to have a seasoned workforce with a well-established process. Garza (2011) stated that this industry is inclined to be very conservative, slow to change, and engineering oriented. Operations are either manual or quasi-automated processes. The organization relies heavily on employees with specialized knowledge of procedures, well-seasoned skills, and a deep reservoir of system knowledge that is known only to them (Garza, 2011).

Garza (2011) further emphasized that the industry is facing both challenges and opportunities brought about by the pressures of technological innovation and an aging workforce. The industry is exploiting the potential that technological innovation makes available in transitioning its employees, enhancing the customer experience, and executing enhancements in operational efficiencies. For example, the use of smart meters² is aiding employees in gaining a deeper customer insight, resulting in the improvement of utility practices. These changes are allowing utilities to embrace proactive service models, infusing them with the information necessary to restore services quicker, analyze data trends in order to optimize changes in infrastructure, and provide conservation expert services to customers, suggest pricing options, and related customer-behavior based plans.

²Smart Meter is a device that records customer energy usage and communicates the information to the utility company.

On the other hand, some customers raised the concern of health and privacy brought about by technological innovations such as smart meters. While these issues may be fictitious, utility companies are spending time and money developing policies to allow customers to opt out of the smart meter program. Conversely, others were able to cope with these challenges. Krohne (2016) agreed, “These utilities appear to have done more in the way of change management” (p. 1). They involved community leaders and their customers by early on communicating the purpose of installing smart meters and the process involved in the installation. Employees took on the role of smart meter ambassadors. The role they played became an integral part of customer education, involving them in the process and arming them with knowledge to address customer concerns. Employees were empowered with the ability to provide information to customers of the many benefits of the new technology (Krohne, 2016). This example demonstrates that “internal change management is vital to the successful implementation of improved business practices, while external change management is critical to managing the expectations and communications with custom” (Garza, 2011, p. 1).

Utilities dealing with disasters. Kousky, Greig, Lingle, and Kunreuther (2018) discussed the threat of wild fires in California. The authors discussed the devastation caused by disasters to families and communities. Penn (2018) states that the loss from wildfires is estimated at \$12 billion, dozens of people are killed in the state, and thousands of homes and businesses are destroyed (Penn, 2018). Kousky, Greig, Lingle and Kunareuther explained that “climate change is causing longer fire seasons due to increased drought and heat” (p. 1). The authors further cited that while some of the fires are ignited by natural causes, such as lightning, most are started by people (Kousky et al.,

2018). Electric utilities are also to be blamed when power lines are brought down by high winds. Quinton (2018) stated that power lines and other electrical infrastructure have been responsible for the wildfires in California from 2012 to 2016. Penn (2018) pointed out that PG&E has been blamed for some of the destruction due to neglected maintenance. The utility sector is criticized passing the cost to ratepayers to bare the financial burden from the wildfires (Penn, 2018). As a result, legislators in California are pushing to advance Senate Bill (SB) 901 otherwise known as the California Wildfire Bill. The bill is meant to protect the ratepayers and also help the utilities to pay for damages (McCown, 2018). Contrary to this, the state enforces inverse condemnation on utilities if their equipment causes the wildfire. This means the utility sector is liable for civil damages even if negligence is not a factor.

Utilities current state. The utility industry is transforming (Afzal, 2016). Afzal (2016) added that market conditions, industry and social trends, natural disasters, and operational crisis are threatening the traditional utility business model. Competition from within and outside the industry is challenging profitability. Utilities may need to invest in new infrastructure to cope with the unpredictable demands of consumers. There is also a need to refresh the aging workforce (Bigliani et al., 2015). These challenges are forcing leaders of organizations to reevaluate their business model, modify their strategies, determine with who they need to collaborate, and reevaluate the best method with which to serve their customers. Deregulation and technological innovation are driving organizational changes while market variability is driving the urgency to embrace a new way of doing business (Afzal, 2016).

IOUs dealing with change. J. Bret Lane, president and CEO of SoCalGas in his testimony to the CPUC indicated the

need to be flexible and adapt to the rapid changes in the energy industry so that clean and efficient use of natural gas and our extensive existing infrastructure throughout Central and Southern California can be key contributors to achieve California's clean energy future. (SoCalGas, 2018, p. 1)

Lane shared the organization's business priorities, which included running a safe business, maintaining and enhancing its system reliability, enabling diverse customer service capabilities and efficiencies, focusing on reasonable energy rates, and continuously improving, investing in employees, and leading in clean energy solutions. Lane stressed that the organization is incessantly adapting new technologies to better serve its customers; customers are now able to access the company's services digitally through mobile devices. The organization is also investing in programs and policies designed to motivate and engage its employees, such as employee training, workforce planning, and total rewards program. These programs are aimed at attracting, motivating, and retaining high-performing employees (SoCalGas, 2018).

SoCalGas and SDG&E (2018) elucidated the purpose of their Fueling Our Business (FOB) program during a rate case proceeding. Leaders from both companies explained that FOB is an initiative to continuously improve processes within the organizations that are entrenched in their cultures. The FOB program was planned for 2016 to 2019 and will result in an estimated savings of \$42.76 million for SoCalGas and \$26.23 million for SDG&E (SoCalGas & SDG&E, 2018).

SCE (2013) General Rate case deposition explained the involvement of its Human Resources Operating Unit (HR) in providing an integrated solution in attracting, developing, motivating, and retaining a talented, high-performing, and diverse employee base. Through this, SCE was able to improve its overall performance by enhancing the effectiveness of everyday operations, processes, employee effectiveness, and quality of work. The deposition also stated that placement of employees in the right job at the right time allows SCE to achieve its goals and cope with changes affecting the organization (SCE, 2013).

The HR department helps develop and support the organization's strategies and structures. They provide the organization with the tools and resources to effectively and efficiently staff positions, expand, and manage its employees. SCE's workplace improvement plan was developed to cope with external and internal changes. The plan includes improving SCE's management and leadership expertise and behaviors through mandatory training. Leaders are evaluated and held accountable for adopting these actions through a customized leadership program, such as modifying the performance appraisal process, encouraging skip-level meetings with employees, and management by walking the working floors. Furthermore, the organization continuously assesses its organizational effectiveness and studies the various layers of its hierarchy. The assessment enables SCE to improve its leadership effectiveness by streamlining communications and decision making (SCE, 2013).

Similarly, PG&E announced plans to streamline its management structures and institute a series of cost-cutting measures designed to support plans to modernize and invest in its gas and electric safety infrastructure while making sure rates remain

affordable. Geisha Willams, PG&E’s president noted that in addition to supporting important safety efforts, California’s clean energy goals necessitate considerable increases in renewable energy, energy storage, and energy efficiency (Electric, Light and Power, 2017).

PG&E’s plan is to reduce by 15% the number of executives, which will result in a flat management that is more nimble, thereby streamlining the decision-making process. This change is part of a comprehensive plan to reduce costs. In addition, cost reduction will come through renegotiating contracts with vendors and spending less on materials and expenses for professional services. Four hundred fifty support services were eliminated while 60 new roles were identified. An estimated 390 employees were affected. Electric, Light and Power (2017) issued a statement:

None of these decisions were made lightly. We greatly value the contributions of all of our employees, contractors and vendors, all of whom have made important contributions to the business. We understand that these decisions create personal hardships. At the same time, we recognize our responsibility to invest in the future to create value for our customers, our communities and our state. (p. 1)

Synthesis Matrix

Organization of the information gathered in the review of literature was by way of synthesis matrix. Patterns and themes relating to the topics of organizational change, employees’ resistance and readiness to change, leadership and employees’ role in organizational change, and organizational challenges faced by California IOUs were similarly organized. Patton (2015) explained the purpose of this matrix: “A qualitative research synthesis involves seeking patterns across and integrating different qualitative

studies” (p. 567). Through this process Kotter and Schlesinger’s (2008) resistance-to-change model became the guiding light of this study. The synthesis matrix is found in Appendix A.

Summary

Chapter II uncovered a large amount of empirical research and literature on the impact of change, resistance to change, and employee behavior to organizations and change efforts. Leadership behaviors, types of change, and reasons organizations fail in the implementation of change efforts were examined. The review encompasses change process theories, change drivers, and the conscious change leader accountability model from Ackerman Anderson and Anderson (2010). A section on changes, challenges, and the current state facing IOUs in California was also investigated. In this chapter, employees’ resistance to change in the utility sector was discussed. The Prosci® flight risk model specific to the utility sector was examined. Kotter and Schlesinger’s (2008) resistance to change was discussed in detail.

Various topics on organizational change have been examined by many researchers including the impact of culture on change (Jumbe & Proches, 2016); “Leadership and Employees’ Reactions to Change” (Oreg & Berson, 2011), *Effect of Organizational Change on Employees Commitment* (Aliyu et al., 2017); *When Do Organizations Need to Change* (Entin, Diedrich, Kleinman, Hocevar, et al., 2003); and “Organizational Change: Motivation, Communication and Leadership Effectiveness” (Gilley et al., 2009). It is astonishing that no research was found on strategies and practices leaders employ as necessary to facilitate organizational change efforts. Barriers affecting the success of organizational change efforts and factors that lead to sustaining change efforts were

omitted from popular discussion in this area. The next chapter sets out the road map by which these areas were studied in-depth.

CHAPTER III: METHODOLOGY

Overview

This chapter contains a delineation of the research methodology and explains the rationale behind the selection of the research design. The purpose statement and research questions are reviewed. The population, sample size, instrumentation, data collection method, and analysis are also covered. Limitations of the research are found at the end of the chapter.

The Purpose Statement

The purpose of this qualitative study was to identify the strategies and practices executives and midlevel managers of investor-owned utilities (IOUs) perceive are effective in creating employee acceptance and support of organizational change. A further purpose was to identify the supports and barriers executive leaders and midlevel managers perceive as affecting employee acceptance or resistance to organizational change in IOUs.

Research Questions

This study was guided by the following questions.

1. What strategies do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?
2. What practices do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?
3. What supports do executive leaders and midlevel managers of IOUs perceive affect employee acceptance or resistance to organizational change in IOUs?

4. What barriers do executive leaders and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change in IOUs?

Research Design

Kothari (2004) defined research as a scientific and systematic search for important information regarding a specific topic. He postulated that research is the art of investigation. Research is ““a careful investigation or inquiry specifically through search for new facts in any brand of knowledge’”. Redman and Mory define research as a ‘systematic effort to gain new knowledge’” (Kothari, 2004, p. 1). Kothari referenced the types of research, which included quantitative and qualitative. McMillan and Schumacher (2010) defined quantitative research as a design that describes the phenomena emphasizing objectivity through measurement. Research objectivity is maximized using figures, statistics, structure, and control. On the other hand, qualitative research is a systematic design wherein data are gathered from naturally occurring phenomena. The data gathered are in the form of words versus numbers (McMillan & Schumacher, 2010).

The study’s purpose statement and research questions guided the approach to a qualitative research design. This design will enable the capture of “deeper thoughts and insights into the . . . perceptions” (Chan-Nauli, 2018, p. 55) of leaders of IOUs. Several data collection strategies were investigated and in-depth interviews stand out as most appropriate based on the unique necessities of the research. Figure 7 illustrates the in-depth interview process (The Wallace Foundation, n.d.).

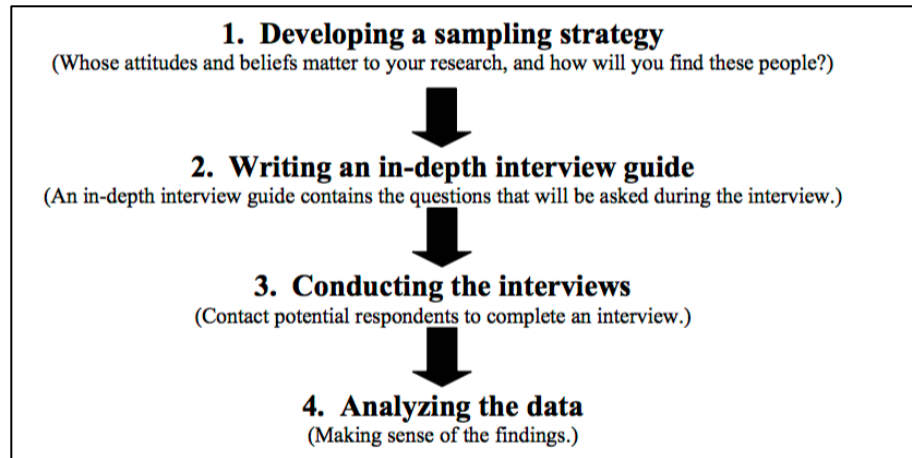


Figure 7. In-depth interview process. From *Workbook G: Conducting In-Person Interviews*, by The Wallace Foundation, n.d. (<https://www.wallacefoundation.org/knowledge-center/Documents/Workbook-G-In-Person-Interviews.pdf>).

In order to identify the strategies and practices executives and midlevel managers of California IOUs perceive as necessary to facilitate organizational change efforts, a qualitative in-depth interview method was chosen. Such a method can “uncover in-depth the diversity views and meaning that people bring to an issue under investigation” (May, 2018, p. 278). This methodology also uncovered the support and barriers that can affect employees’ acceptance or resistance to organizational change. In addition to this, Kotter and Schlesinger’s (1989) resistance-to-change model, illustrating the reasons employees resist change, was also investigated. Seidman (2013) expounded that in an in-depth interview, the task of the researcher is to record the experience of the subjects in compelling detail and to an adequate degree that enables the reader of the study to connect to the experience and deepen his or her knowledge of the topic. According to Seidman,

The purpose of in-depth interviewing is not to test hypotheses, and not to evaluate as the term is normally used. At the root of in-depth interviewing is an interest in

understanding the lived experience of other people and the meaning they make of that experience. (p. 9)

Interest in the other person's perspective is the gateway underlying interviewing techniques. Interviewers must remember that the stories of others are more important than their own (Seidman, 2013). Seidman further stressed that a seasoned interviewer must ask questions well, motivating the interviewees to eagerly share their experiences. Patton (2015) explained that "an interview is an interaction, a relationship. Every interview is also an observation— a two-way observation" (p. 427).

The present study was designed to interview eight executives and eight midlevel managers from IOUs in California to understand their perceptions of organizational change efforts that have occurred within their companies. From each of the chosen utilities, four participants were selected, two were executives and two were midlevel managers, from SoCalGas, SCE, SDG&E, and PG&E. Participants' description and selection criteria are described later in the chapter.

Population

McMillan and Schumacher (2010) asserted,

A population is a group of elements or cases, whether individuals, objects, or events, that conform to specific criteria and to which we intend to generalize the results of the research. This group is also referred to as the target population or universe. (p. 129)

Benerjee and Chaudhury (2010) explained that a population could be derived based on "geographic location, age, sex, with additional definitions of attributes and variables such as occupation, religion and ethnic group" (p. 60).

There are 3,300 utilities in the United States, 200 of which provide electric power (Statista, 2018). Nineteen of the 3,300 utilities are based in California (Best Energy, n.d.; see Table 2). Out of the 19 utilities, eight electric and gas utilities are regulated by the CPUC (2018; see Table 3). Four of these eight utilities are IOUs. The largest utility company in the country, in terms of the number of customers served, is PG&E (2019) of California, serving approximately 16 million people (PG&E, n.d.). SCE (2018) ranks second in the nation with 14 million subscribers.

Table 2

List of Utilities Based in California

No.	Utilities in California	Customers served
1	Azusa Light and Power	46,361
2	East Bay Municipal Utility District	680,000
3	Glendale Public Service Department	121,854
4	Gridley Municipal Utilities	6,586
5	Healdsburg Municipal Electric Department	12,061
6	Los Angeles Department of Water and Power	2,079,000
7	Nevada Irrigation District	27,577
8	Pacific Gas and Electric	16,000,000
9	Pacific Power	1,900,000
10	Riverside Public Utilities	300,000
11	Sacramento Municipal Utility District	1,500,000
12	Santa Clara Electric Department	3,300,000
13	San Diego Gas and Electric	3,600,000
14	Sierra-Pacific Power	1,867,000
15	Southern California Public Power Authority	500,000
16	Southern California Edison	14,000,000
17	Pasadena Water and Power	94,000
18	Burbank Water and Power	104,000
19	Anaheim Public Utilities	358,000

Note. From Utilities Companies List by State, by Best Energy, n.d. (http://www.bestenergynews.com/solar/utility_co/utility_companies.php).

Table 3

List of Utilities Regulated by the CPUC

No.	Regulated utilities in California
1	Bear Valley Electric Service
2	San Diego Gas and Electric
3	Liberty Utilities
4	Southern California Edison
5	Pacific Gas and Electric
6	Southern California Gas and Electric
7	Pacific Power
8	Southwest Gas Corporation

Note. From California Energy Commission, n.d. (https://www.energy.ca.gov/almanac/electricity_data/utilities.html).

The study population for this research was utility executives and midlevel managers of IOUs in California. Based on occupational employment statistics, there are 2,960 utility executives (5.1% of the total work force) and 3,940 (6.736% of total work force) midlevel managers in California (U.S. Department of Labor, Bureau of Labor Statistics, 2017). Executives are those in-charge of developing strategies and policies to ensure that company goals are met. They design, guide, and organize operational activities in the workplace (Truity, 2017). In this study, executives are employees in leadership roles such as CEOs, presidents, vice presidents, and directors. On the other hand, midlevel managers are employees who “carry out supervisory tasks, motivate personnel and keep employees on a strategic organizational path envisioned by executives” (Jones, 2017, p. 1). In this study, midlevel managers are employees in project management or those in equivalent role.

Target Population

To narrow the study population into a more manageable size, the study was limited to IOU executives and midlevel managers in California. IOUs are privately

owned corporations providing natural gas and electricity to consumers (California Energy Commission, 2018). In California, IOUs include SCE, PG&E, Sempra Energy conglomerates, SoCalGas, and SDG&E (“Investor-Owned Utility,” n.d.). Combined, these IOUs deliver natural gas and electricity to 55.4 million customers. They are the dominant provider of energy in the state (PG&E, 2018; SoCalGas, 2018; SCE, n.d.; SoCalGas/SDG&E, 2018).

SCE, PG&E, SoCalGas, and SDG&E have been engaged in organizational change efforts in response to market vicissitudes, such as the rising popularity of renewable energy, government regulations, demand changes, consolidation, increased competition, digitalization of the market, remote metering, and smart grid technology (Krohne, 2016). Executives and midlevel managers of California IOUs were asked to participate in an in-depth interview. The total population of IOU executives is found in Table 4.

Table 4

List of Executive Positions in IOUs

Positions	Total number of executives in this role	SoCalGas ^a	SDG&E ^b	SCE ^c	PG&E ^d
Chief executive officer (CEO)	5	1	1	2	1
Chief human resources	4	1	1	1	1
President and chief operating officer (COO)	5	1	2	1	1
Senior vice president	17	2	3	9	3
Vice president	57	17	16	19	5
Chief vice president	1	0	0	0	1
Total	89	22	23	32	12

Note. From ^aSoCalGas, n.d.; ^bSDG&E, n.d.; ^cSCE, n.d.; ^dPG&E, n.d.

No available information was found regarding the number of midlevel managers of IOUs in California. Instead, an estimate was calculated using the proportion of midlevel managers in relation to the entire population of utility employees in the state. Data from the U.S. Department of Labor and Statistics (2017), North American Industry Classification System (NAICS) were used in the calculation. NAICS records showed that a total of 3,940 midlevel managers were employed by California utilities. This number was divided by 58,490, which is the total population of utility employees in the state. According to this calculation, the estimated percentage of California midlevel managers in the utility sector is 6.736%. This percentage was applied to determine the number of midlevel managers in each of the IOUs. Table 5 shows the calculation using this formula. The estimated population of California IOU midlevel managers is 2,814. This includes project management, marketing, sales, public relations, administrative services, computer and information system, industrial production, transportation, storage, construction, architectural, and engineering roles.

Table 5

Number of IOU Employees and Estimated Midlevel Managers

California IOUs	Number of employees	Estimated % of midlevel managers (6.736% of total work force)
SoCalGas ^a	7,546	508
PG&E ^b	20,000	1,347
SCE ^c	12,400	835
SDG&E ^d	1,829	122
Total	41,775	2,814

Note. Formula used in determining the percentage of IOU midlevel managers in the state: California midlevel manager population divided by total utility employees. To illustrate, 3,940 divided by 58,490. Figures were taken from the U.S. Department of Labor (2017); and from ^aSoCalGas, n.d.; ^bPG&E, n.d.; ^cSCE, n.d.; ^dSDG&E, n.d.

Sample

Seidman (2013) discussed that in an in-depth interview model it is vital to select a sample that is representative of the population. McMillan and Schumacher (2010) explained that samples are chosen from the target population and that several qualitative sampling strategies may be employed: site selection, comprehensive sampling, maximum variation sampling, and purposeful sampling. The present study employed purposeful sampling. In this approach,

The researcher selects particular elements from the population that will be representative or informative about the topic of interest. On the basis of the researcher's knowledge of the population, a judgment is made about which subjects should be selected to provide the best information to address the purpose of the research. (McMillan & Schumacher, 2010, p. 138)

Executives and midlevel managers were selected from the four IOUs in California: SCE, SoCalGas, SDG&E, and PG&E to participate. Based on the review of literature, these four IOUs have dealt with and continue to be involved in major change efforts. These experiences provided significant information addressing the purpose of the present study. Participants were selected in part based on availability and willingness to contribute their point of view in connection to the present topic.

The sample size of the study was 16, of which eight were executives and eight were midlevel managers. More specifically, two executives and two midlevel managers from each of the four IOUs were selected. The sample size was based on sufficiency and saturation. The sample size is deemed sufficient when "the range of participants and sites that make up the population . . . [allow] . . . others outside the sample . . . [to] . . . have a

chance to connect to the experiences of those in it” (Seidman, 2013, p. 58). Several writers (Douglas, 1976; Glaser & Strauss, 1967; Lincoln & Guba, 1985; Rubin & Rubin, 1995; Weiss, 1994) suggested that saturation of information is a sample size criterion. When the researcher is no longer hearing new information from participants, saturation of information has been reached. According to Dworkin (2012), a sample size of five to 50 is adequate. Creswell and Creswell (2018), on the other hand, suggested five to 25. The present study’s sample size fits within the criteria of the experts. McMillan and Schumacher (2010) stated, “Qualitative samples can range from 1 to 40 or more. . . . The insights generated from qualitative inquiry depend more on the information richness of the cases and the analytical capabilities of the researcher than on the sample size” (p. 328).

Sample Selection Process

The researcher contacted the change management advisor of SoCalGas who is in-charge of various organizational change efforts within the company. In addition, she is associated with the organizational change leaders within the other IOUs in California. She recommended interview participants from SoCalGas, SDG&E, PG&E, and SCE who met the selection criteria for this study. Specific screening criteria used to select participants are identified in Tables 6 and 7.

Table 6

Screening Criteria: Executives

	SoCalGas	SDG&E	SCE	PG&E
Department or organization	Executive leadership team	Executive leadership team	Executive leadership team	Executive leadership team
Position	CEO, presidents, vice presidents, directors	CEO, presidents, vice presidents, directors	CEO, presidents, vice presidents, directors	CEO, presidents, vice presidents, directors
Number of years in the company	3-10	3-10	3-10	3-10
Involvement in change efforts. ^a	In the past 2-5 years	In the past 2-5 years	In the past 2-5 years	In the past 2-5 years

^a*Example:* A modification that caused restructuring in the company, an adjustment in the organization that resulted in new strategic direction, a necessary change to cope with legislation/regulatory conditions, an alteration in business approach.

Table 7

Screening Criteria: Midlevel Managers

	SoCalGas	SDG&E	SCE	PG&E
Department or organization	Human resources, Administrative, Organizational development, Customer service, Employee communication, and marketing	Human resources, Administrative, Organizational development, Customer service, Employee communication, and marketing	Human resources, Administrative, Organizational development, Customer service, Employee communication, and marketing	Human resources, Administrative, Organizational development, Customer service, Employee communication, and marketing
Position	Project manager or equivalent	Project manager or equivalent	Project manager or equivalent	Project manager or equivalent
Number of years in the company	3-10	3-10	3-10	3-10
Involvement in change efforts ^a	In the past 2-5 years	In the past 2-5 years	In the past 2-5 years	In the past 2-5 years

^a*Example:* a modification that caused restructuring in the company, an adjustment in the organization that resulted in new strategic direction, a necessary change to cope with legislation/regulatory conditions, an alteration in business approach.

The change management advisor of SoCalGas recommended 32 participants from the four IOUs with whom she was well acquainted. The recommendation consisted of

two groups, 16 midlevel managers and 16 executives. More specifically, 4 midlevel managers and 4 executives from each of the 4 IOUs were endorsed. Each of the 4 individuals from the respective IOUs were assigned random numbers using a web-based generator (Star Trek, 2018). A list using these numbers only was compiled for each IOU and randomized as to its' order. Prior to randomization the researcher calculated the interval for each group of IOUs by dividing 16 by 8 mandating that every second number would be chosen to participate. It was also determined prior to randomization that the count would begin from the 2nd number on the randomized numerical list. After choosing the numbers in this fashion the researcher reconnected numbers with names. In conclusion, 16 participants were chosen, 8 midlevel managers and 8 executives. More precisely, 2 midlevel managers and 2 executives from each of the 4 IOUs were selected. An invitation to participate was developed and disseminated electronically to the randomly selected participants (invitation e-mail is found in Appendix B). Three days after the invitation e-mails were sent, the researcher followed up with phone calls to secure dates and times for interviews. The researcher expected that not all of those invited would be able to participate due to scheduling conflicts. Figure 8 illustrates the sample selection timeline.

	September	October	November	December	January
Sample Selection Process					
<i>Develop List</i>					
Develop Screening Criteria	█	█			
Contact Change Management Advisor			█		
Develop List of Potential Participants		█	█	█	
<i>Invite Participants</i>					
Develop Invitation Email	█	█			
Deploy Invitation Email to Potential Participants			█	█	
<i>Follow up</i>					
Call Potential Participants			█	█	
Schedule Dates of Interviews					█
<i>Interviews</i>					
Conduct Interviews				█	█

Figure 8. Sample selection timeline.

Instrumentation

The present study utilized a one-on-one semistructured in-depth interview protocol with executives and midlevel managers, employed by the four California IOUs. The main purpose of an in-depth interview is to obtain a deep understanding of the phenomena experienced by the subject (Seidman, 2013). In this case, change effort experiences from two diverse vantage points—executives and midlevel managers—were sought. Gaining perspectives from the four IOUs gave a more holistic understanding of the topic. Seidman (2013) explained that the goal of in-depth interviews is not to generalize the findings to a wider populace. Instead, it allows the readers of the study to connect with the experiences of the participants in compelling detail and sufficient depth which is more essential (Seidman, 2013).

To maximize opportunities for intensive and nascent information gathering, semistructured questions were used (Bamberger, Rugh, & Mabry, 2012). An interview guide that listed questions or issues involving California IOU executives and midlevel

managers' perception of effective strategies and practices in creating employee acceptance and support of organizational change was used. The guide also included questions regarding supports and barriers that executive leadership and midlevel managers perceived to affect employees' acceptance or resistance to organizational change. The four main reasons employees resist change from Kotter and Schlesinger's (1989) resistance-to-change model guided the development of the interview guide. The guide contained 15 open-ended questions that embedded questions regarding employees need for self-preservation, misinformation and misunderstanding of the change effort, difference in opinion of the need to change, and low tolerance for change (see Appendix C). A step-by-step interview process is illustrated in Figure 9.

The interview guide design was developed using the Kotter and Schlesinger (2008) resistance-to-change model. The resistance-to-change model was determined through the literature review to be the most appropriate for addressing the purpose of the study. Further, the synthesis matrix summarizing the factors related to organizational change and resistance to change in Chapter II was also utilized in the development of the interview questions. Appendix D presents the alignment of the research questions, interview guide, and supporting literature. McMillan and Schumacher (2010) stated that in order for theories to be useful in the development of scientific knowledge they (a) must deliver a modest account of the observation relevant to a phenomenon, (b) must be

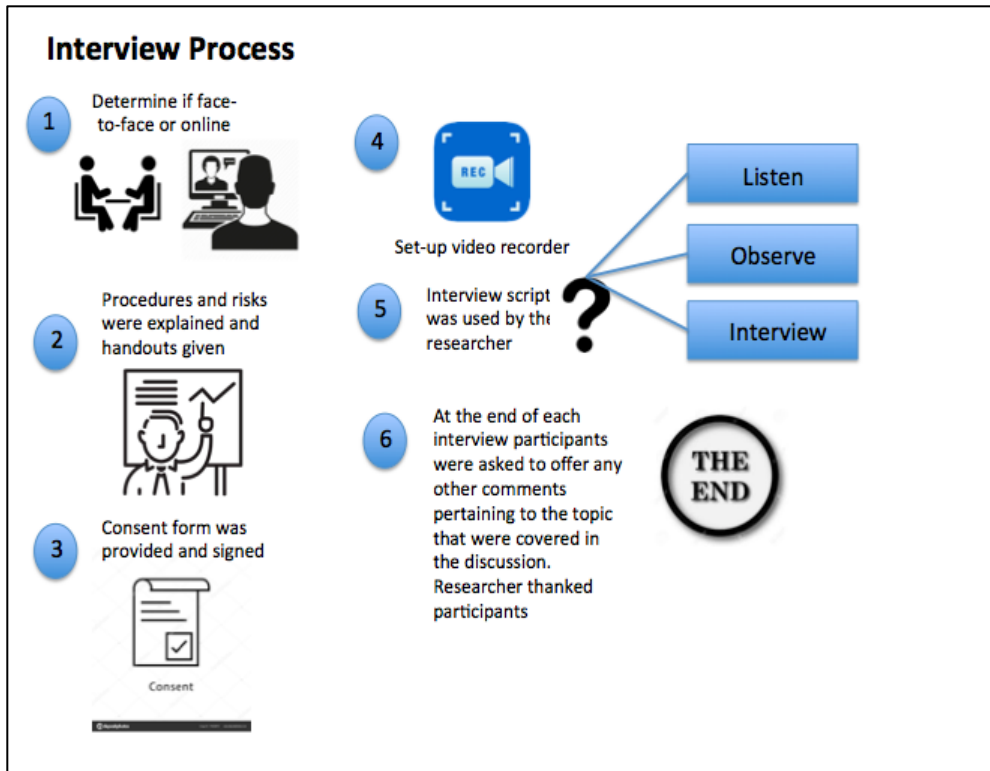


Figure 9. Step-by-step interview process

consistent with both the observation and the established body of knowledge, (c) are considered a hypothesis and must afford a means for substantiation and modification, and (d) encourage further investigation in areas requiring further exploration. Anfara and Mertz (2015) discussed, “Agnew and Pyke (1969) recommended that good theory be (a) simple, (b) testable, (c) novel, (d) supportive of other theories, (e) internally consistent, and (f) predictive” (p. 5). Other theories investigated included Ackerman Anderson and Anderson’s (2010) drivers of change model, Kubler-Ross’s stages of grief (Kubler-Ross et al., 1972), conscious change leader accountability model (Ackerman Anderson & Anderson, 2010), and Prosci (n.d.) flight risk model.

Boyce and Neale (2006) suggested that an interview guide helps to ensure consistency between interviews in order to increase reliability of findings. The theoretical framework used in this study was Kotter and Schlesinger’s (2008) resistance-to-change

model. This guided the development of the interview questions. The theoretical framework aided in the conceptualization of the study's focus while providing the limitations or platform for the study itself (Roberts, 2010). The four quadrants affecting resistance-to-change efforts, based on Kotter and Schlesinger's (2008) resistance to change, include preservation of self-interest, low tolerance for change and inertia, different assessment of the situation, misinformation, and misunderstanding. Considering this, the questions developed included an examination of respondent's perceptions of

- the effects of change efforts in relation to self-interest (i.e. job security, status, and financial position),
- the description and/or definition of the change effort implemented/experienced,
- the methods used to communicate the change initiative to employees,
- how those implementing perceived the organizational change and how they were affected by the change initiatives.

Validity

Gibbs (2007) explained that qualitative validity is defined as the implementation of certain procedures to ensure the accuracy of research findings. Creswell and Creswell (2018) explained, "Validity is one of the strengths of qualitative research and is based on determining whether the findings are accurate from the standpoint of the researcher, the participant, or the readers of an account" (p. 5811). Creswell and Creswell recommended the use of multiple validity strategies to enhance the accuracy of research findings. For this reason, the present study used a synthesis matrix that was developed from the review of literature to ensure that open-ended questions were linked to the existing theories and empirical findings. In addition, three experts were recruited to participate in field testing

of the interview guide. They provided suggestions to ensure that the interview questions were understandable. Results from the field test were collected and analyzed. Field test e-mail instruction is found in Appendix E.

Lavrakas (2008) wrote, “Inter-coder reliability refers to the extent to which two or more independent coders agree on the coding of the content of interest with an application of the same coding scheme” (para. 1). For this study, two of the 16 interview transcripts were provided to two peer researchers. The peer reviewers completed the data validation. After completion, the researcher examined for the level of intercoder reliability. Patton (2015) stated that the process of validation between two researchers creates a level of reliability. Acceptable coefficient is .80 or higher. For exploratory studies, .70 is acceptable (Lombard, Synder-Duch, & Bracken, 2004). The present study used a coefficient of .80.

Reliability

Qualitative reliability mandates that the approach used by the researcher is consistent and/or reliable. Procedures of the study must be documented and a detailed study protocol must be established (Creswell & Creswell, 2018). Babbie (2015) explained reliability as “whether a particular technique, applied repeatedly to the same object, yields the same result each time” (p. 157). The present study used a consistent interview guide and set of questions throughout. Homogeneous answers from the participants were used to determine a finding. Transcripts of the interviews were documented through voice, video recordings, and researcher’s notes. Observation notes were also captured, documenting interview setting, participants’ emotional reactions, and gestures. The researcher also solicited the assistance of two peers to review two notes and

interview transcripts in order to ensure against any mistakes in transcription. Field notes were examined and reexamined with no edits. One of the peers coded two of the interview transcripts using the same data analysis tool used by the researcher. These codes were compared against the codes developed by the researcher. To ensure intercoder reliability, the codes were reexamined and modified by a peer and the researcher during a series of consultations. The other peer researcher reexamined the codes to verify that captured definitions were accurate.

Field Test

To check the validity of a data collection instrument, a field test is used. A field test validates the effectiveness of the data collection tool in gathering information for which it was designed (University of Phoenix, 2018). Creswell and Creswell (2018) explained, “This testing is important to establish the content validity of scores on an instrument; to provide an initial evaluation of the internal consistency of the items; and to improve questions, format, and instructions” (p. 4592). The field test of the interview guide and/or questions was executed after the IRB review. Field-test e-mail instruction is found in Appendix E.

In this study, the researcher was the primary data collection tool, and has knowledge of the utility sector that may present some bias that could impact the research. Merriam and Tisdell (2016) described that “rather than trying to eliminate these biases or subjectivities, it is important to identify them and monitor them in relation to the theoretical framework” (p. 17). In order to minimize bias, three people who are not involved in the research but closely resemble the participants profile were selected to test the interview guide and/or questions. This included a peer researcher who is also an

executive and two field-test experts who are midlevel managers. They provided feedback on the appropriateness of the questions and how the questions were being asked in relation to the focus of the study. These individuals were not asked to answer the questions but rather to evaluate them. They did not provide data. The field-test schedule is found in Table 8.

Table 8

Field-Test Schedule

Description	Timeline
Develop interview guide	September 21, 2018
Select field test participant	October 15, 2018
Begin field test	November 26, 2018
Updated interview guide based on feedback	December 1, 2018
Finalized interview guide	December 6, 2018

Data Collection

Data collection steps include sampling and participant recruitment, collection of information through unstructured or semistructured interviews (Creswell & Creswell, 2018). The researcher did not begin data collection until after completion of the necessary training (the certificate of completion is found in Appendix F) and approval from Brandman University’s Institutional Review Board (IRB; IRB approval is found in Appendix G). Upon approval, recruitment e-mail letters were drafted (e-mail letter sample sent to prospective participants is found in Appendix B).

Participants’ accessibility and willingness to take part are other requirements necessary (Statistics Solutions, n.d.) in the participant selection process. The interview sample selected must be representative and informative on the topic (Bolderston, 2012;

McMillan & Schumacher, 2010). Experiences of participants are discussed. According to Shorten and Moorley (2014),

A framework for selection can be developed from variables identified . . . combined with practical knowledge of the phenomena. This is a more systematic strategy and can increase sample credibility using a wide range of participants, for example, those with in-depth experience or special knowledge of the research topic. (p. 33)

California IOU executive leaders and midlevel managers were scheduled to participate in an in-depth interview. The interview schedule is found in Table 9. Four SoCalGas and one SCE interviews were completed face to face. To accommodate schedules and geographical limitations, three SCE, four PG&E, and four SDG&E participants were interviewed using web-meeting software. Interviews were videotaped and transcribed. Before the start of every interview, participants were asked to sign an informed consent form (signed consent and confidentiality forms are found in Appendix H). Procedures and risks were explained to participants before they agreed to take part. Participants were informed that all data collected would be treated as confidential material. Identifiable information such as names, positions, titles, and project names were coded to hide the identity of participants. Furthermore, participants were informed that voice and video recordings would be destroyed after transcription. All documents used in the study were destroyed after the completion of the dissertation defense. The interview schedule is found in Table 9. An informed written consent form was provided to each participant before the start of the interview session (consent form is found in Appendix H). Participants were asked to sign and return the form before interviews

began. According to Family Health International (n.d.), “In addition to informing participants about the voluntary nature of the study, a key purpose of informed consent is to ensure that they understand the risks and benefits entailed in participation” (p. 32.).

Table 9

In-Depth Interview Schedule

Description	Timeline
Develop letters to secure participants	September 21, 2018
Edit and finalize letters	October 5, 2018
Meet with SoCalGas change management advisor to develop participant prospect list	September 28–October 5, 2018
Send letters to selected prospects	November 26–December 31, 2018
Follow-up and schedule interviews	December 3–January 7, 2018
Conduct Interviews	December 17, 2018–January 17, 2019

Participants were asked to complete a preinterview demographic questionnaire containing the following: (a) name of employer, (b) highest degree of education, (c) role and title, (c) number of years in current position, (d) number of years in the company, (e) type of organizational change effort experienced, and (f) the number of staffs managed. The demographic questionnaire is found in Appendix I. Participants were informed that the demographic data collected would be used to provide a backdrop to the research findings that emerged from the interviews.

An interviewer’s script was used by the researcher and handouts were provided to participants describing the purpose of the interview, why the respondent was chosen, expected duration of the interview, confidentiality, and the use of tape and video recorders during the session. The interview script is found in Appendix J. Aside from this, the definition of organizational change, strategies, and other relevant variables were also provided (see Appendix K). Interviewers’ notes were used to document

observations about the interview, participant, and context (see Appendix L). At the end of each interview, participants were asked to offer any additional comments pertaining to the topic that were covered in the discussion. The interviewer script, handouts, and interview notes are found in Appendices M, N, and O. A summary of the data collection process is illustrated in Figure 10.

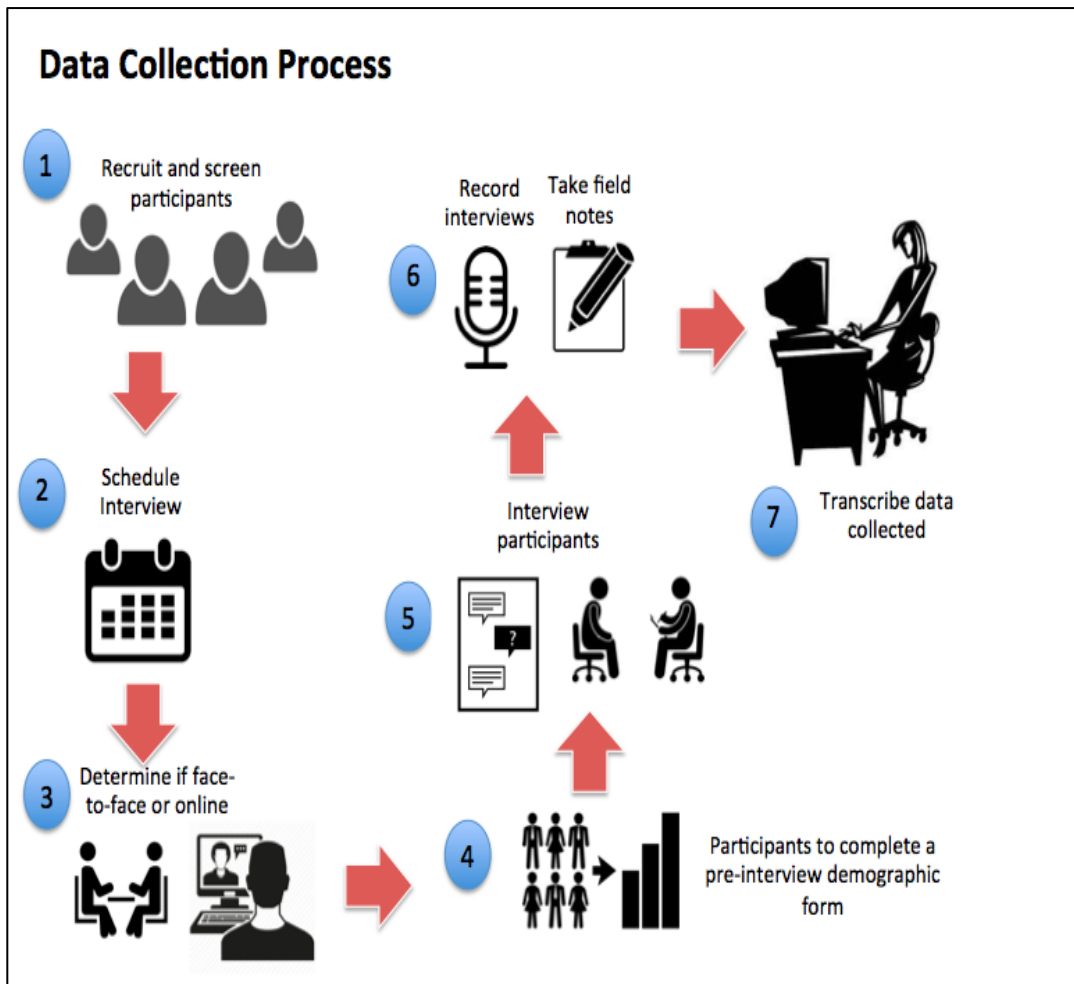


Figure 10. Data collection process.

Interview participants who experienced an organizational change effort in the IOU sector were asked questions that allowed them to narrate their involvement in the change process and their perceptions of the initiative. Their explanation of the various

change strategies employed, how these strategies affected employees, and the reasons employees opposed change may have provided a deeper insight into the subject matter. By allowing the sharing of their stories about contributions, concerns, challenges, and successes, the participants were able to provide their individual perspectives. Interviews allow people to relate their individual experiences. Seidman (2013) stated, “Telling stories is essentially a meaning-making process. When people tell stories, they select details of their experience from their stream of consciousness” (p. 7). Understanding human behavior is subjective (Schutz, 1967). To obtain deeper insight, the researcher must understand the participants’ background in relation to the behavior (Seidman, 2013). Patton (2015) stated that through interviews discoveries are exposed that could not normally be detected by observations. He stressed that thoughts, feelings, and intentions cannot be observed:

We cannot observe situations that precluded the presence of an observer. We cannot observe how people have organized the world and the meanings they attach to what goes on in the world. We have to ask people questions about those things. (Patton, 2015, p. 426)

The intent of an interview is to understand the viewpoint of another individual. Through the method of qualitative in-depth interview, it is assumed that the perspectives of others are meaningful and may become obvious. Interviews enable the gathering of information through understanding the experiences of others (Patton, 2015).

McMillan and Schumacher (2010) expressed that in-depth interviews employing open-response questions are used to gain a deeper understanding of the participants’ perspective of the world and their experiences. Interview can be the primary instrument

in the collection of data. The present study used an interview guide approach, “topics are selected in advance, but the researcher decides the sequence and wording of the questions during the interview” (McMillan & Schumacher, 2010, p. 355).

Patton (2015) stated that it is vital to establish a connection with the interviewee. The interviewer must avoid judging, must be authentic, and must be trustworthy. Important interview skills include asking open-ended questions in a genuine manner, making sure the interviewee understands the questions, while the interviewer probes appropriately for depth and detail. Good interviews require distinguishing various types of questions, such as descriptive inquiries, as opposed to those that beg for interpretations or judgments, in essence, differentiating questions and answers that are behavioral, attitudinal, or knowledge focused. Experienced interviewing entails listening and really hearing. These skills will affect the outcome of the interviews (Patton, 2015).

The present study was designed to interview eight executives and eight midlevel managers from IOUs in California to understand their perceptions of organizational change efforts that have occurred within their companies. The stories shared by the participants also explored Kotter and Schlesinger’s (1989) resistance-to-change model, which includes preservation of self-interest, misunderstanding and lack of trust, low tolerance for change, and different assessment of the situation (Kotter & Schlesinger, 1989). Four participants—two of which were executives and two were midlevel managers—were chosen from each of the utilities: SoCalGas, SCE, SDG&E, and PG&E. Participants were screened based on the number of years they had been with the organization and only those who had encountered the phenomena under study were included. Fifteen open-ended interview questions were used to reveal participants’

insights on the topic (see Appendix C). Participants' responses were grouped into themes then analyzed.

The in-depth interview analysis was organized following the order of the research questions. Responses to the interviews were grouped into themes using a transcription and coding chart (Appendix M) and a visual chart (Appendix N). The researcher's experience in the utility industry, personality, and communication style may potentially influence findings. To reduce bias, the researcher field tested the interview and protocols "and solicited the help of a secondary researcher to engage in double-coding data" (Besler, 2017, p. 159).

Data Analysis

Creswell and Creswell (2018) emphasized the intention of data analysis is to make sense of the texts, and images gathered during the study. It is "like peeling back the layers of an onion" (Creswell & Creswell, 2018, p. 5610) and then to piece it back together. The present study used a combination of thematic content and narrative analysis. R. Anderson (2007) stated, "Thematic Content Analysis (TCA) is a descriptive presentation of qualitative data" (p. 1). In this case, qualitative data took the form of interview transcripts. In content analysis, the data collected were read several times then coded, searching for themes, finding meaning, and defining richer insight. Narrative analysis intention is to extrapolate and better understand experiences (Bamberger et al., 2012.). In-depth interviews enabled the gathering of stories from those who experienced change efforts in California IOUs, in this case, from the point of view of executive leaders and midlevel managers. Seidman (2013) further explained that in an in-depth interview, representativeness and generalizability are not as important as persuasive

evocation of an individual's experience. The stories shared were analyzed looking for insight and meaning. Interview recordings, transcripts, and field notes helped the researcher fully capture all of the information on participants' perceptions.

Data were collected and transcribed by the researcher using NVivo transcription software. Transcripts were coded based on responses to each of the questions. NVivo data analysis software was used to code the interview data. According to the UC Davis Center for Evaluation and Research (n.d.), "Coding is the process of organizing and sorting . . . codes serve as a way to label, compile and organize . . . data" (para. 34). The purpose of coding is to identify themes that emerge from the interviews. A definition in *Wikipedia* stated, "Themes are patterns across data sets that are important to the description of a phenomenon and are associated to a specific research question" ("Thematic Analysis," n.d.). A theme is determined if an item or answer emerges at least three times from the data set. These processes helped the researcher fully capture all of the information on participants' perceptions from each interview. In addition to this, after coding was completed and themes were discovered, the review process began. Themes were reviewed and organized to determine the findings for the study. All of the findings were summarized at the end of the data analysis process. Figure 11 illustrates the data analysis process.

Limitations

There existed but a few anticipated limitations to this study. There are a limited number of IOUs in California, and change projects implemented therein are easily identifiable by professionals in the sector. While participants were assured of confidentiality and anonymity, they may still have hesitated to provide truthful responses

or may have decided to opt out of participation. Furthermore, IOUs are regulated by the CPUC and participants may have been motivated to provide less-than-honest answers fearing they may not only jeopardize their jobs but also compromise their organization's standing with the regulatory agency or the industry at large. Aside from this, the study relied on referrals from a single expert to identify the executives and midlevel managers.

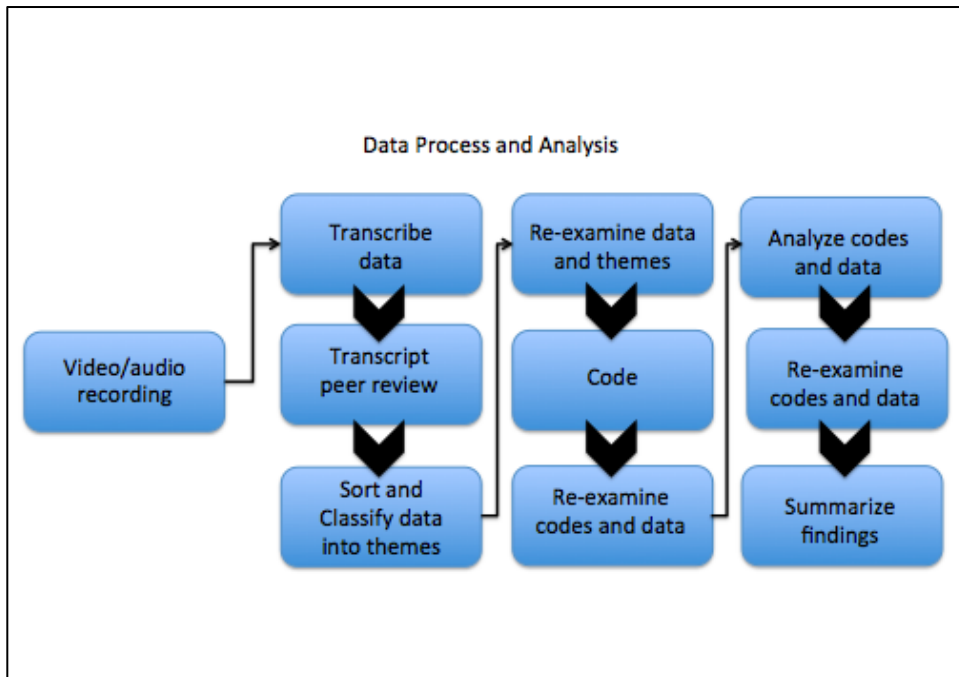


Figure 11. Data analysis process.

The participants selected may not represent the entirety of executives and midlevel managers within the four IOUs. Other limitations include the positive or negative relationships of midlevel managers with executive leaders. Midlevel managers' opinions may be influenced by emotions, the result of positive or negative relationships with executives.

Summary

In the beginning of this chapter, the purpose statement and research questions were reestablished. The research design, population, sample, instrumentation, data

collection, analysis, and potential limitations of the study were discussed. The researcher sought to identify the strategies and practices executive leaders and midlevel manager employees in California IOUs perceive are effective in creating employee acceptance and support of organizational change midlevel through in-depth interviews. Through in-depth interviews, supports and barriers executive leaders and midlevel managers perceived as affecting employee acceptance and support of organizational change were also explored. Data collected were transcribed, coded, and analyzed. Chapter IV provides detailed findings on the topic.

CHAPTER IV: RESEARCH, DATA COLLECTION, AND FINDINGS

Overview

Chapter IV further examines research data collected and the findings of this study. Data were gathered by way of in-depth interviews. Those interviews were designed to understand the perceptions of executives and midlevel managers of investor-owned utilities (IOUs) in California with regard to organizational change experienced within their individual companies. This chapter reiterates the study's purpose statement and research questions. Research method, data collection procedures, population, sample, participants' demographic information, presentation of data, and summary are also included.

Purpose Statement

The purpose of this qualitative study was to identify the strategies and practices executives and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change. A further purpose was to identify the supports and barriers executive leaders and midlevel managers perceive as affecting employee acceptance or resistance to organizational change within IOUs.

Research Questions

This study was guided by the following questions.

1. What strategies do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?
2. What practices do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?

3. What supports do executive leaders and midlevel managers of IOUs perceive affect employee acceptance or resistance to organizational change in IOUs?
4. What barriers do executive leaders and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change in IOUs?

Research Methods and Data Collection Procedures

The study's purpose statement and research questions guided the approach to a qualitative research design. This design enabled the capture of deeper thoughts and insights into the perceptions (Chan-Nauli, 2018) of those interviewed. In order to identify the strategies and practices executives and midlevel managers of California IOUs perceive as necessary to facilitate organizational change efforts, a qualitative in-depth interview method was chosen. Such a method can “uncover in-depth the diversity views and meaning that people bring to an issue under investigation” (May, 2018, p. 278). This methodology also uncovered supports and barriers that can affect employees' acceptance or resistance to organizational change. In addition, Kotter and Schlesinger's (1989) resistance-to-change model, illustrating the reasons employees resist change, was kept in mind for guidance.

Data Collection

Research commenced after approval from the Institutional Review Board (IRB). The change management advisor of SoCalGas recommended interview participants from SDG&E, PG&E, SoCalGas, and SCE who met the selection criteria for the study. Tenure and experience with a major change effort on the job were paramount to consideration. Selection criteria details are found in Chapter III, Table 6. Thirty-two potential participants were identified of which 16 were randomly selected. The

researcher invited participation by e-mail and followed up with phone calls 2 days after invitations were sent. Scheduling conflicts and heavy workloads precipitated declinations by eight invitees. Referrals from other SoCalGas, SDG&E, SCE, and PG&E employees were solicited in order to include the necessary number of participants with whom to complete the study. Invitation e-mails were sent and confirmations were received in a like manner. Prior to interviews, consent forms, video release forms, participant's Bill of Rights, demographic questions, and handouts were provided digitally. Participants were required to sign consent and release forms and complete the demographic questionnaire. Those interviewed face to face returned forms in person while individuals interviewed via web-hosted service returned them via e-mail.

Interview Process and Procedure

Eight executives and eight midlevel managers from IOUs in California were interviewed, four from each of the chosen utilities. Of those selected, five were interviewed face to face (four SoCalGas and one SCE) and 11 using the web-hosted service, GoToMeeting (four PG&E, four SDG&E, and three SCE). All interviews were video/audio recorded by either handheld or computer camera. Three-digit random numbers were assigned to each participant during the selection process and were used to maintain confidentiality during coding. A web-based generator (Star Trek, 2018) was used to generate the three digit numbers. The interviews were transcribed using NVivo transcription software. All interviews were coded and all transcriptions were password protected. Only the researcher had access to the recordings. All video recordings were reviewed three times and used to correct errors in transcription.

Interviews commenced on December 17, 2018, and ran through January 17, 2019. Lengths varied, the shortest lasting 30 minutes and the longest 1 hour. Fifteen predetermined interview questions involving California IOU executive leadership and midlevel managers' perceptions of effective strategies and practices in creating employee acceptance and support of organizational change were asked of each participant. These questions were developed in alignment with the research questions and included guidance gleaned from Kotter and Schlesinger's resistance-to-change model. The researcher did not deviate from the interview guide in order to ensure consistency. Details of the research methodology, design, and data collection processes are found in Chapter III.

The data collected were organized and aligned with the research questions, interview questions, and supporting literature. Organizational alignment was completed with an eye toward determining whether themes existed between executives and midlevel managers specifically regarding their perception of effective strategies and practices in creating employee acceptance and support of organizational change. Trends and themes are discussed later in this chapter.

Validity

In addition to the development of a synthesis matrix, the researcher sought the assistance of three people who are not involved in the research but closely resemble the participants profile in order to field-test the interview guide. Their suggestions were solicited to ensure that all questions were cognizable. They provided feedback on the appropriateness of the questions and how the questions were being asked in relation to the focus of the study.

Intercoder Reliability

Two of the 16 interview transcripts were provided to two peer researchers for review and coding. One of the peer researchers coded two of the interview transcripts using the same data analysis tool used by the researcher. To ensure intercoder reliability, the codes were reexamined and modified by the peer and researcher during a series of consultations. The other peer researcher reexamined the codes to validate definitions were accurate. After completion, the researcher examined the level of intercoder reliability. Peer review conclusion was consistent with that of the researcher.

Population

The study population for this research was utility executives and midlevel managers of IOUs in California. Based on occupational employment statistics, there are 2,960 utility executives (5.1% of total work force) and 3,940 midlevel managers (6.736% of total work force) in California (U.S. Department of Labor, 2017). Executives are tasked with developing strategies and policies to ensure that company goals are met. They design, guide, and organize operational activities (Truity, 2017). In this study, executives are employees in leadership roles (i.e., CEOs, presidents, vice presidents, and directors). Midlevel managers are those that “carry out supervisory tasks, motivate personnel and keep employees on a strategic organizational path envisioned by executives” (Jones, 2017, p. 1). In this study, midlevel managers are individuals in project management type roles.

Sample

This study employed a purposeful sampling method in the selection of interview participants. Executives and midlevel managers were selected from the four IOUs in

California: SCE, SoCalGas, SDG&E, and PG&E. Based on a review of literature, these four IOUs have dealt with and continue to be involved in major change efforts. This provided significant information directly addressing the purpose of the present study. Participants were selected based upon their availability and willingness to contribute their point of view on the present topic as well as their positions and experience. All participants in the study met the sample criteria:

Executives

- Must be an executive; either a CEO, president, vice president, or director
- Must have been with the company minimum of 3 years
- Must have been involved in a change effort in the past 2-5 years

Midlevel managers

- Must be a project manager or equivalent
- Must have been with the company minimum of 3 years
- Must have been involved in a change effort in the past 2-5 years

The sample size was 16, eight executives and eight midlevel managers, two executives and two midlevel managers from each of the four IOUs. The sample size was based on sufficiency and saturation (Seidman, 2013).

Demographic Data Questionnaire Results

Prior to the interview, participants completed a demographic questionnaire. This included name of employer, tenure with the current organization, level of education, position/title within the company, type of organizational change efforts experienced and the number of employees managed currently and during the implementation of the

change effort. The demographic questionnaire was intended to establish context to the study.

IOU Participants

Participants reported information pertaining to their current employer. All IOUs were equally represented. The results are reported in Table 10.

Table 10

Participants' Current Employer

Investor owned utility	<i>n</i>	%
SoCalGas	4	25%
SDG&E	4	25%
SCE	4	25%
PG&E	4	25%

Note. *N*= 16.

Tenure With the Current Organization

Participants' tenure with their current organization ranged from 6 to 29 years. The average tenure for both levels was 14.5 years. The average tenure for executives was 16 years and 12 years for midlevel managers. Results are reported on Table 11.

Table 11

Tenure With the Current Organization

Participant number	Current position	No. of years
250	Chief officer	19
176	Senior vice president	10
342	Senior vice president	18
398	Vice president	27
134	Vice president	14
242	Vice president	10
115	Senior director	6
401	Director	29
196	Manager	23
157	Manager	25
114	Manager	12
190	Manager	8.5
125	Manager	10
235	Manager	9
210	Manager	6
110	Manager	6

Note. $N=16$.

Degree of Education

Participants reported their highest degree of education: 69% held a master's degree and 31% a bachelor's degree. The results are reported in Table 12.

Table 12

Participants' Highest Degree of Education

Degree of education	<i>n</i>	%
Bachelor's degree	5	31%
Master's degree	11	69%

Note. $N=16$.

Position/Title

Participants reported their current position/title within their respective organizations. Executive participants included one chief officer, two senior vice

presidents, three vice presidents, one senior director, and a director. Midlevel managers included one management manager, one technology manager, contact center manager, four-business managers, and one senior programs manager. The results are reported in Table 13.

Table 13

Participants' Position/Title in the Organization

Position/title in the organization	<i>n</i>	%
Chief officer	1	6%
Senior vice president	2	13%
Vice president	3	19%
Senior director	1	6%
Director	1	6%
Operations manager	1	6%
Technology manager	1	6%
Contact center manager	1	6%
Business manager	4	25%
Senior program manager	1	6%

Note. *N*= 16.

Number of People Currently Managed

Participants reported the number of employees they currently managed, 500 being the highest number. Nineteen percent of the participants reported that they were not supervising anyone currently. However, while these participants do not have direct supervision responsibilities, currently they manage multiple employees and projects laterally due to the nature of their positions in their organizations. The results are reported on Figure 12.

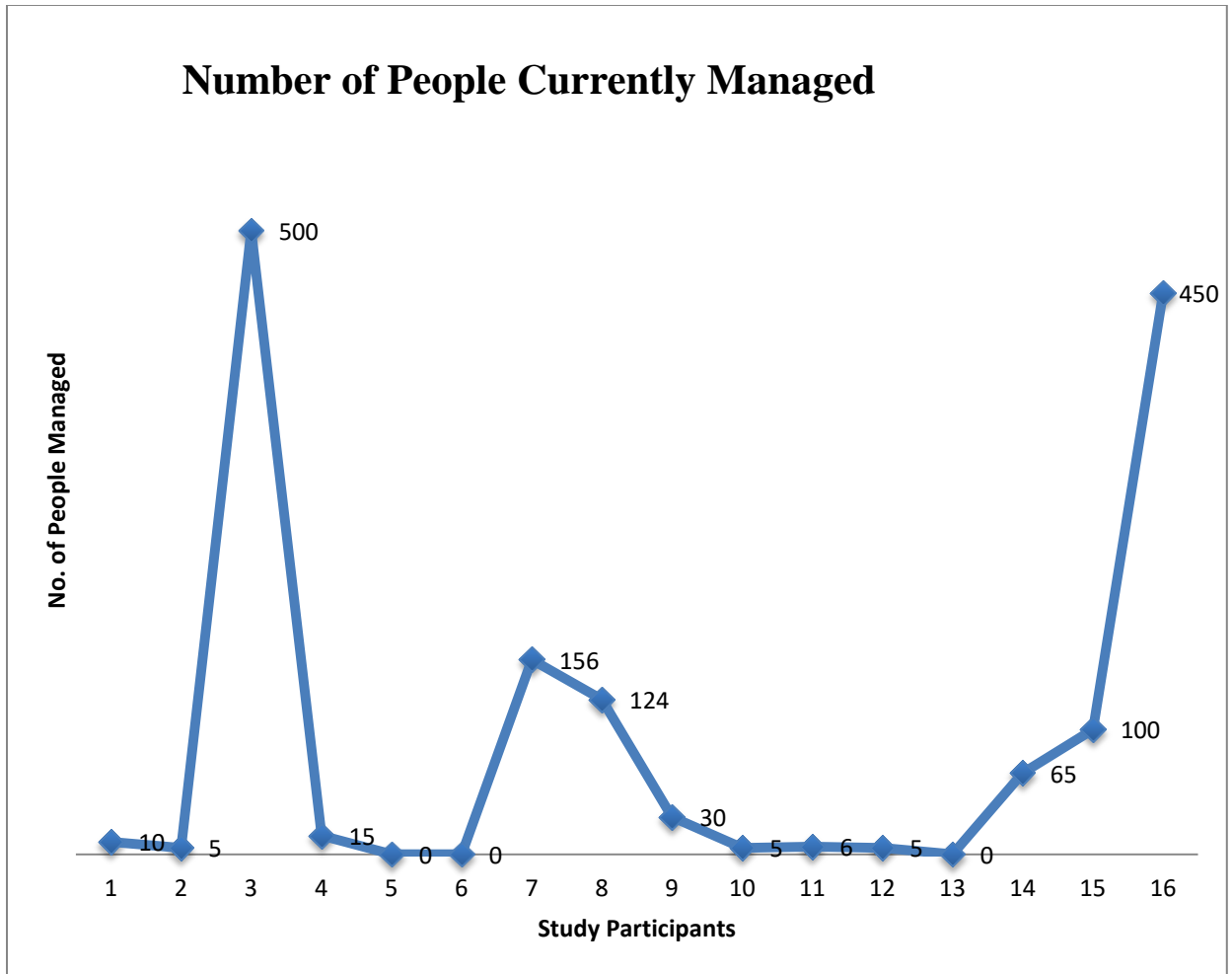


Figure 12. Number of people currently managed. ($N = 16$).

Number of People Managed During the Implementation of a Change Effort

Participants reported the number of employees they managed during the implementation of the change; 3,000 was the most. Thirty-one percent of participants did not answer this question, however two are at the executive level currently having 125 to 450 indirect reports. Three are managers with 30 to 65 direct reports. The results are reported in Figure 13.

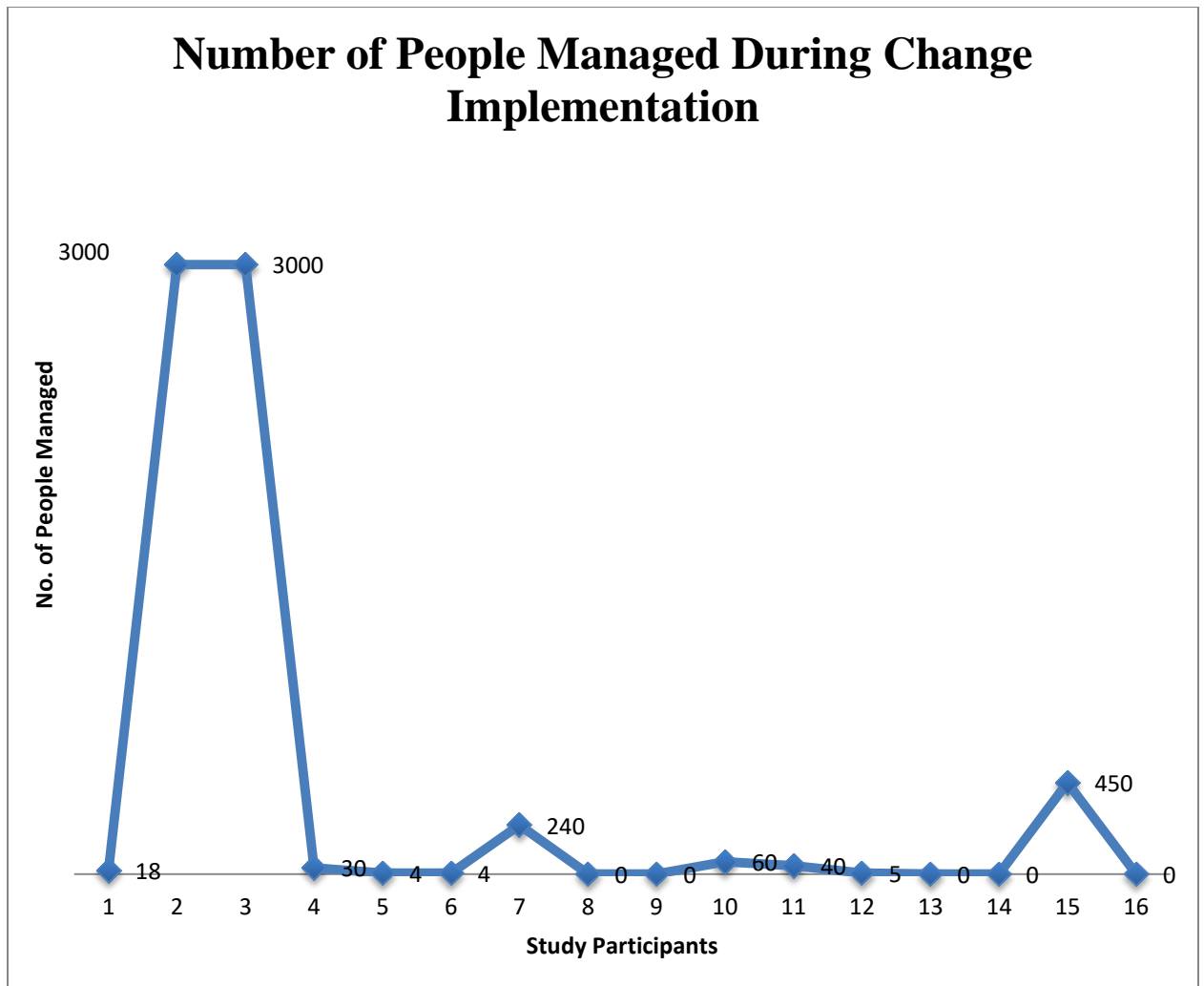


Figure 13. Number of people managed during the implementation of a change effort ($N = 16$). Note: Five declined to answer the question and defaulted to zero people currently managed.

Types of Organizational Change Experienced

Participants described 14 types of organizational change experienced. Regulatory requirements and new technology were reported as the type of change most often experienced. The results are reported in Table 14.

Table 14

Types of Organizational Change Experienced

Types of organizational change experienced	Percentage based on <i>N</i>
Regulatory requirements	13%
New strategic direction of the organization	10%
Leadership change	7%
New programs	3%
New technology deployment	13%
Formation of new teams	3%
Operational improvements employee driven	7%
Development of new operational models	3%
New risk management Framework/assessment	7%
Reorganization	7%
Merger	3%
System changes	7%
Restructuring	7%
Continuous improvement	10%

Note. *N* = 16.

Participants' Context Questions Responses

To gain an understanding of participants' organizational change experience, each participant was asked during the interviews to describe a specific type of change effort in which he or she was involved or led, the role he or she played in that change, and his or her experience in the implementation. Results indicated that 44% of executive participants were involved in operational efficiency and cost reduction while 36% of midlevel managers implemented change efforts associated with regulatory mandates (i.e., implementation plans from the CPUC such as risk based planning and program outsourcing). Results are displayed in Table 15.

Table 15

Specific Change Efforts Implemented by Participants

Context	Change effort implemented	% Executives	# Executives	% Midlevel managers	# Midlevel-managers	% Combined
Leaders and midlevel managers' experience and understanding of organizational change	Reorganization/formation of new team	11%	1	13%	1	12%
	New projects that eliminated jobs	11%	1	0%	0	6%
	Technology based change	11%	1	13%	1	12%
	Operational efficiency and cost reduction	44%	4	13%	1	29%
	New processes and metrics	11%	1	0%	0	6%
	Regulatory mandate	11%	1	36%	3	24%
	Customer privacy policies	0%	0	13%	1	6%
	Process improvement	0%	0	13%	1	6%
Total			9		8	

Note. Some participants were involved in multiple types of change efforts. $N = 17$.

Of the executives, 37.5% had a favorable experience in the implementation of the change effort. Participant 398 observed that “employees’ embraced change, that it was successful, and instilled a feeling of accomplishment.” Results are displayed in Figure 14. Of the participants, 12.5% described the experience as multilayered. On one hand they had to communicate to employees that the work they were doing was to change, or their position was to be eliminated. On the other hand, it was necessary to discuss opportunities the change would create. Twenty-five percent stated that employees’ experience was unfavorable. Another 25% needed more information to explain what the change was about and how it was to affect them or their job. Figure 14 summarizes the themes that emerged.

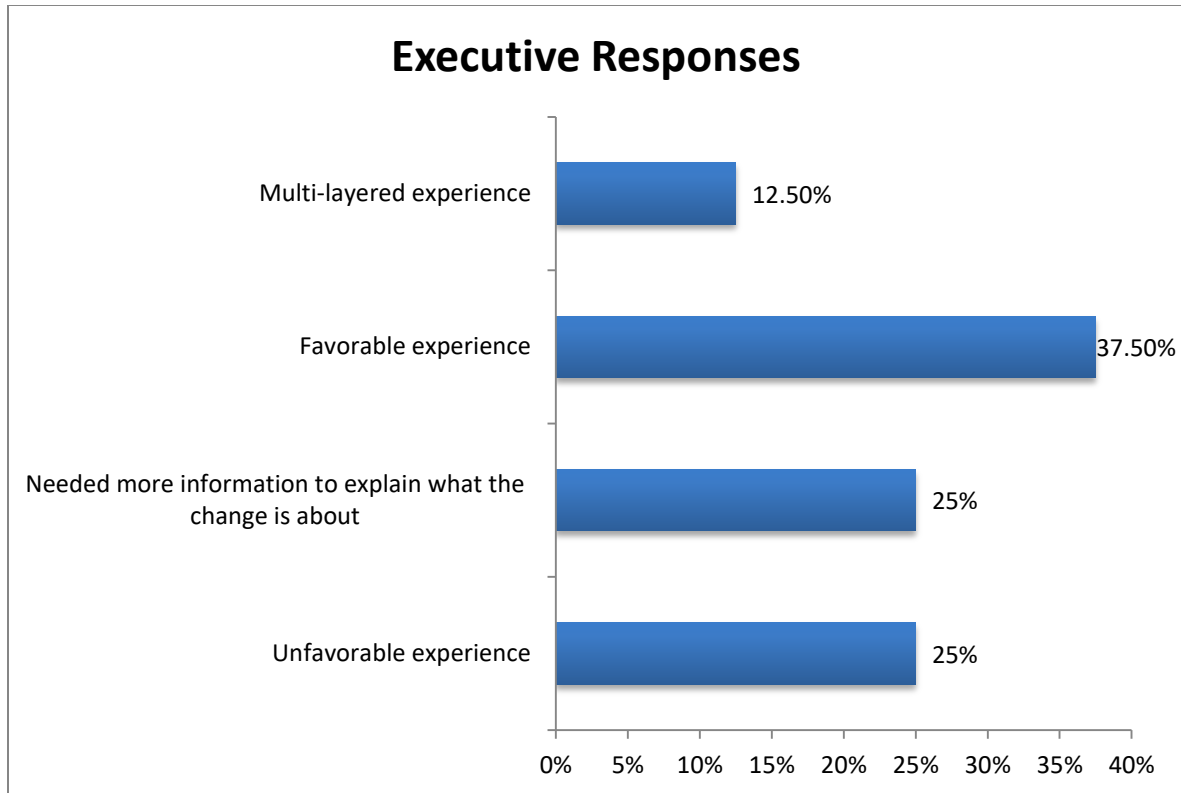


Figure 14. Executives experience in the implementation of the change effort (N = 8).

Fifty percent of midlevel managers viewed the change effort as an unfavorable experience. They described that employees were unhappy and uncomfortable.

Participant 125 stated,

Trying to change the hopes, dreams or minds of thousands of people proved challenging and was a constant battle. There was a level of apprehension and hesitation from employees. Resistance manifested itself in the form of questioning why they now have too much work, and why the changes are so difficult to adopt.

Results are displayed in Figure 15.

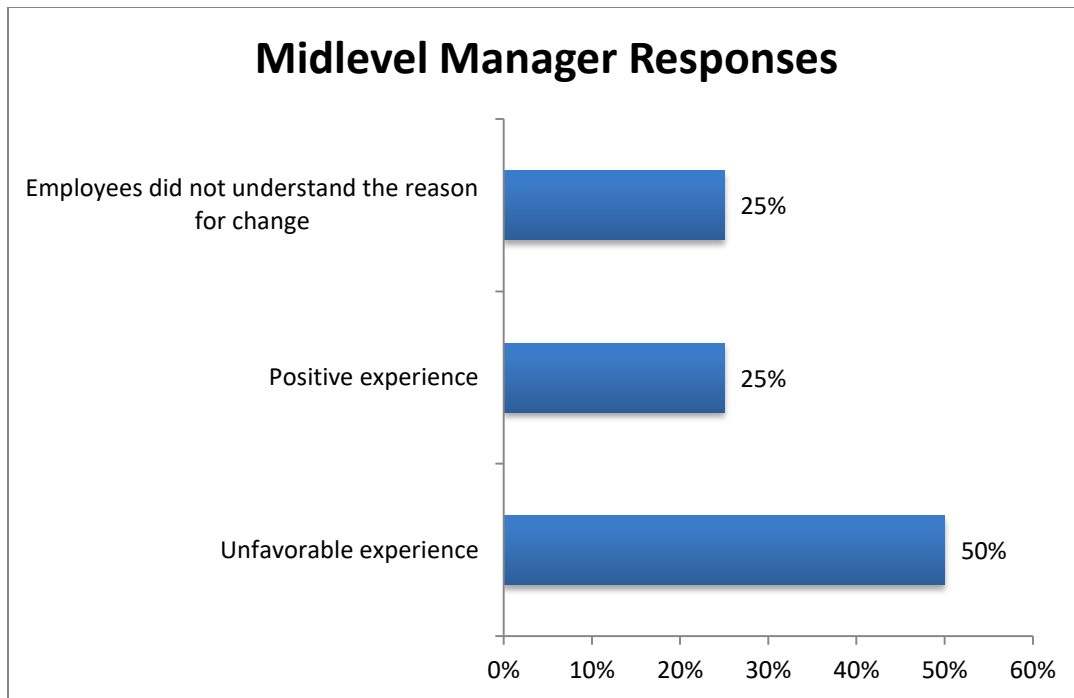


Figure 15. Midlevel managers experience in the implementation of the change effort ($N = 8$).

Kotter and Schlesinger’s (1989) resistance-to-change model showed that managers and employees have divergent points of view relative to change. Employees perceive change efforts as harmful and problematic, driving resistance (Kotter & Schlesinger, 2008). This was investigated in the study by asking participants how employees reacted to the change effort they implemented. Fifty percent of executives indicated that employees reacted negatively to the change effort. Participant 115 stated, “Negative reactions from employees were anxiety, trepidation, uncertainty, concern about the change/the future, degree of suspicion, denial, don’t know if they buy into what is going on, and do not agree with the change.” Results of the executives’ responses related to the model are displayed in Figure 16.

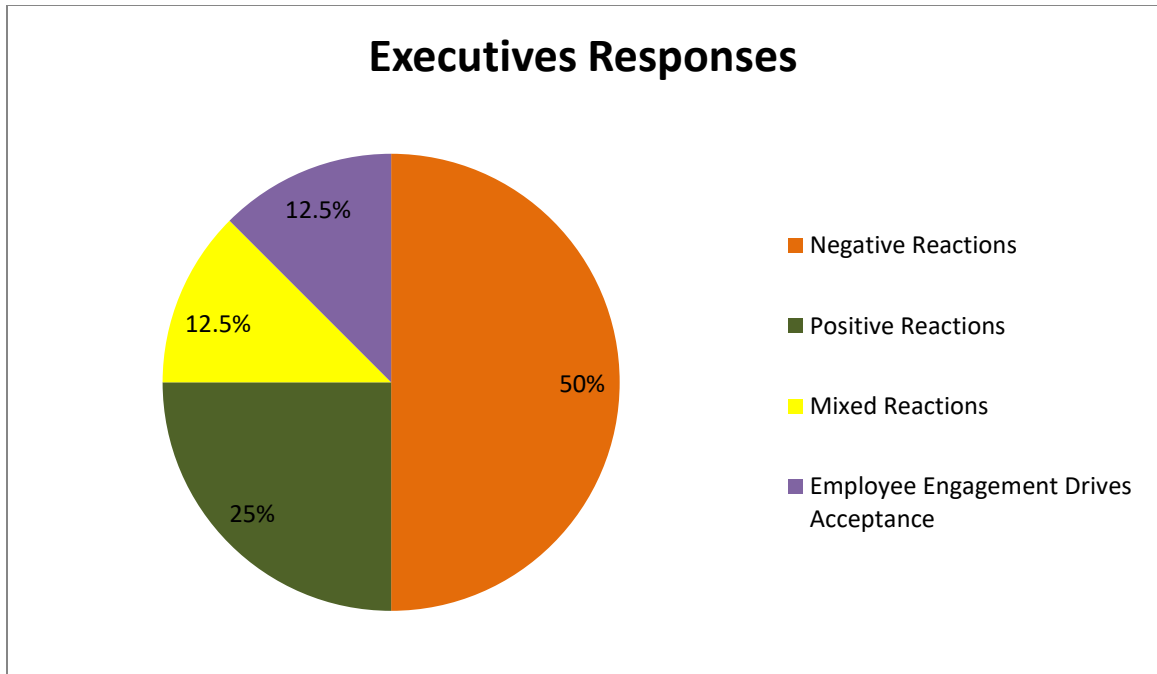


Figure 16. Employees’ reaction to the change effort from executives’ perspective ($N = 7$).

Midlevel managers had various observations on employees’ reaction to the change effort. Thirty-eight percent had mixed reactions and 25% reacted negatively. Those employees who had mixed reactions responded negatively in the beginning but reversed opinions in short order. Participant 196 explained the negative reaction he witnessed was that “they did not react well. They were unsure, they were uncomfortable.” Participant 210 commented, “People who are attracted to working lower level jobs at utilities shy away from change because they like stability, while those in leadership roles embrace it.” Results of the midlevel managers’ responses related to the model are displayed in Figure 17.

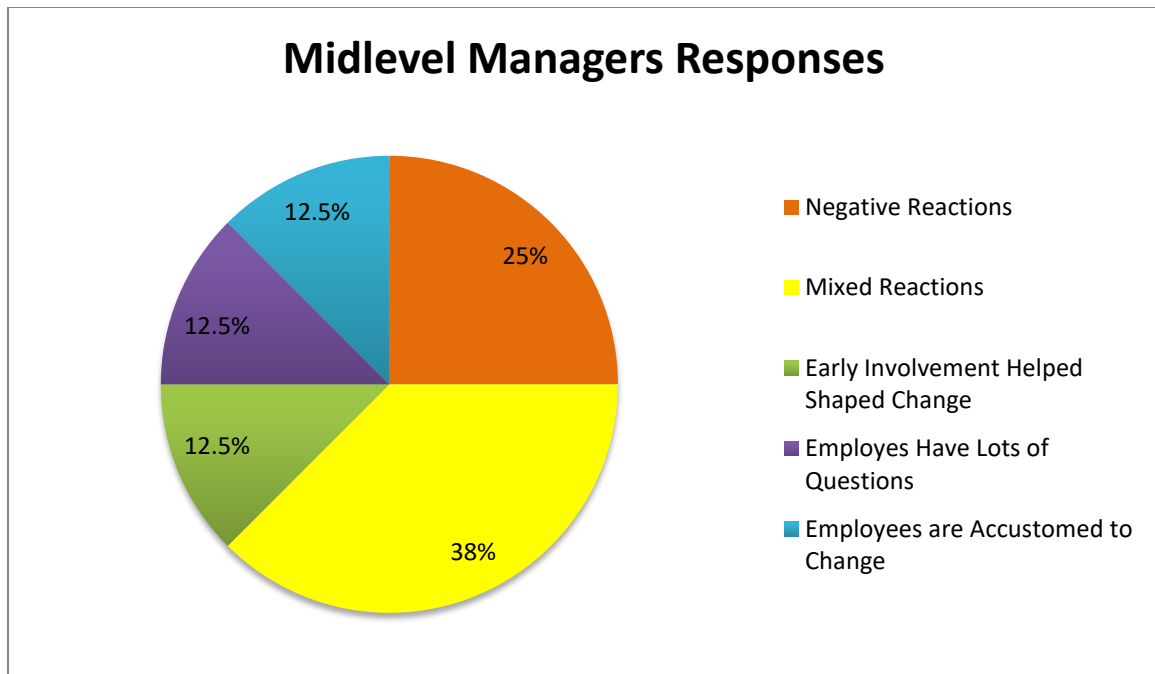


Figure 17. Employees' reaction to the change effort from midlevel managers' perspective ($N = 8$).

Presentation and Analysis of Data

Data collection for this study was completed on January 17, 2018. Shortly after, data were organized and analyzed in order to identify the strategies and practices executives and midlevel managers of IOUs perceived were effective in creating employee acceptance and support of organizational change. Supports and barriers affecting employee acceptance or resistance to organizational change were also explored. As stated earlier in the chapter, 15 structured interview questions were asked of all participants to ensure consistency. Eight executives and eight midlevel managers from IOUs in California participated.

Themes were determined based on the number of times participants referenced a subject or idea in the study. Themes were grouped into two categories: those of executives and those of midlevel managers. To determine similarities and differences

amongst participants, percentage of agreement was calculated. Table 16 summarizes the most referenced themes identified in the study.

Table 16

Themes, Percentage of Agreement and Frequency

Themes	% of Executives agreement	% of Midlevel managers agreement	Frequency
Research Question 1: What strategies do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?			
Effective communication	75%	50%	16
Effective process	25%	12%	4
Research Question 2: What practices do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?			
Broad and frequent communication	75%	75%	32
Providing the necessary tools	25%	25%	7
Plan/processes used	37.5%	37.5%	7
Research Question 3: What supports do executive leaders and midlevel managers of IOUs perceive affect employee acceptance or resistance to organizational change in IOUs?			
Tools, training, and regular communications	50%	37.5%	8
Secured assistance from others	25%	37.5%	10
Research Question 4: What barriers do executive leaders and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change in IOUs?			
Unprepared for change	37.5%	37.5%	11
External forces	37.5%	50%	6

Research Question 1

What strategies do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change.

Data results for Research Question 1. Research Question 1 investigated what strategies executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change. To address Research Question 1, participants were asked to describe the strategies or overall plan

used in the implementation of change efforts in which they were involved. Themes that emerged are discussed in the next section to identify contrasting or comparable perspectives.

There were two themes that emerged from executives' responses: effective communication and effective process. Effective communication was described by Participant 155 as "finding opportunities in a participatory process, consistent communication explaining what, why, how, when and the impact of the change effort to employees." Participant 342 explained effective communication as "educating employees and building a strong case for change, gain employees buy-in and support, transparency of the process, and collaborative/participatory process" (Table 17). Three themes emerged from midlevel managers including effective communication, providing the tools and skills necessary for employees to implement the change, and developing a plan or road map (Table 18).

Table 17

Themes, Participants, and Frequency

Executives	Participants	% based on <i>N</i>	Frequency of reference
Effective communication	401, 176,	75%	6
Educating employees	134, 342,		
Gain employee buy-in	242, and 115		
Effective process	398, 250	25%	2
Transparent and collaborative process			

Note. *N* = 8.

Table 18

Themes, Interview Sources, and Frequency

Midlevel managers	Participants	% based on frequency of reference	Frequency of reference
Effective communication <ul style="list-style-type: none"> • Educate employees • Make sure feedback channel is available • Develop mission, vision, and objective • Endorsement from employees • Consistent communications • Communicate with legislators 	190, 235, 210, 196	69%	11
Provide tools and skills <ul style="list-style-type: none"> • Utilize services of an expert • Provide tools needed to implement • Provide training to employees 	157, 110	19%	3
Effective process <ul style="list-style-type: none"> • Develop a roadmap • Pilot the effort to a small group 	114,125	12%	2

Note. Some participants provided more than one strategy; $N = 8$.

Themes for Research Question 1.

Theme 1: Effective communication. The overarching theme that emerged from participants' responses to addressing Research Question 1 is effective communication with employees. Participant 115 explained the significance of "creating awareness on the reason for change, impacts of change, how the change will be implemented, and benefits of the change effort." Participant 134 described, "We built an understanding and a case for change. What is happening in our industry and why is it occurring? We had a lot of broad communications across the company, talking about the changes in the industry, where we view those as threats and where we view those as opportunities." Seventy-five percent of executives and 69% of midlevel managers mentioned the importance of

communication (see Tables 17 and 18). Table 19 shows that 75% of executives and 50% of midlevel managers agree that effective communication was an important strategy in implementing change efforts.

Table 19

Frequency of Responses for Theme 1: Effective Communication

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
6	75%	6	4	50%	11

There were some similarities and differences between executives and midlevel managers. Seventy-five percent of executives and 50% of midlevel managers cited communication as an effective strategy. Both agreed that “consistent communication explaining what, why, how, when and the impact of the change effort to employees are important in creating acceptance and support of the change effort.” They also indicated that “educating employees is an effective strategy.” This strategy is consistent with Mehta’s (2014) concept that employees who are able to identify goals through a leader’s power of persuasion will find opportunities in order to achieve those goals. An effective leader creates a climate that enables and entuses employees to achieve the organization’s objectives by ensuring that resources are available and by maintaining open communication (Mehta, 2014).

Theme 2: Effective process. Twenty-five percent of executives perceived that an effective process drives employees’ acceptance of the change effort. Participant 250 explained, “Use of participatory process to really refine several key changes that you’re going to make and then have a collaborative process with on-ground experts leading the implementation.” Participant 134 stated, “That overall strategy was to really lay out a

transparent process.” Twelve percent of midlevel managers expressed the importance of having an effective process or a plan (see Table 18). Participant 114 described the importance of having a road map in order for managers to execute their spending wisely. Table 20 shows that 25% of executives and 12% of midlevel managers agreed that implementing an effective process can create employee acceptance and support for organizational change.

Table 20

Frequency of Responses for Theme 2: Effective Process

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
2	25%	2	2	25%	2

There were some similarities and differences between executives and midlevel managers. Twenty-five percent of executives and 25% of midlevel managers agreed that an effective process could drive employees to embrace change efforts. Participant 134 expressed that “their strategy was to lay out a process that is based on transparency. They had schedules/dates of when decisions are to be made. They worked hard to make sure these dates were met and the process made it efficient.” Participant 125 stated, “We desired to pilot and keep the footprint on the smaller side in areas that we had greater capabilities or better ability essentially. Outcomes were modeled for larger scale implementation.”

Theme 3. Provide tools and skills. Nineteen percent of midlevel managers emphasized the importance of providing the necessary tools that would allow employees to embrace change. Executives did not reference this theme. Participant 342 explained how they “worked with a consulting group who brought in organizational change strategy

into the project.” On the other hand, Participant 210 described “how they developed an on-boarding training to make sure employees understood their roles and responsibilities.”

Table 21 shows that executives did not discuss this theme while 19% of midlevel managers agreed.

Table 21

Frequency of Responses for Theme 3: Provide Tools and Skills

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
0	0%	0	2	19%	3

There were some similarities and differences between executives and midlevel managers. Executives did not mention the importance of dedicating the necessary tools and training to employees, while 19% of midlevel managers agreed that providing employees the necessary means to implement the change effort is an important aspect to gaining employee acceptance of the change effort. Midlevel managers cited that the implementation and application of employee training and hiring the assistance of organizational change professionals are strategies that were employed.

Research Question 2

What practices do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?

Data results for Research Question 2. To address this research question, participants were asked to describe the practices or methods they implemented in creating employee acceptance and support of organizational change. Themes that emerged are discussed in the next section.

Four themes emerged from executives' responses. They include broad and frequent communication (63%), plan/processes used (15%), team building and training (11%), and effective leadership (11%). Results are displayed in Table 22. Participant 398 stressed the importance of communication, team building, and effective leadership, having meetings with executive team and socializing the plan to get input about the strategy. Furthermore, having a series of team building efforts as well as to get employees to better understand the strategy, continuing to have individual one-on-one meetings, and group meetings with managers.

Participant 115 indicated the importance of "having small group discussions and making sure that the leadership team had the opportunity to express their opinion and that they understood the importance of employee engagement."

Table 22

Practices or Methods Used by Executives in the Implementation of the Change Effort

Themes from executive interviews	Participants	% based on <i>N</i>	Frequency of reference
Broad and frequent communication	398, 401, 176, 134, 242, 398	63%	17
<ul style="list-style-type: none"> • Ear to the ground • Getting feedback from others • Meetings • Outreach • Socialize • Transparency 			
Providing the necessary tools	176, 398	11%	3
<ul style="list-style-type: none"> • Team building • Training 			
Effective leadership	115, 134	11%	3
Plan/processes used	250, 342, 242	15%	4
<ul style="list-style-type: none"> • Lean Six Sigma process • Prosci method 			

Note. *N* = 27.

Midlevel managers' responses revealed three themes: broad and frequent communication (68%), having the necessary tools (18%), and plan and processes used (14%). Results are displayed in Table 23. Participant 235 described that they "had constant meetings discussing future strategies and the implementation processes. Notes were developed and distributed. Then there were reminders sent to those for tasks that had not been completed." Participant 220 discussed the significance of "really thinking about the work that needed to be accomplished and the skills/abilities required from employees to complete the work, achieve objectives and goals. Robust communication is key."

Table 23

Practices or Methods Used by Midlevel Managers in the Implementation of the Change Effort

Themes from midlevel managers	Participants	% based on <i>N</i>	Frequency of reference
Broad and frequent communication <ul style="list-style-type: none"> • Robust communication with employees and legislators • Follow-up and follow through • High level of employee education • Meetings • Keep senior management engaged 	190,114,196, 235, 125, 210	68%	15
Providing the necessary tools <ul style="list-style-type: none"> • Hire the services of experts in organizational change process • Employee training 	114, 157	18%	4
Plan/processes used <ul style="list-style-type: none"> • Project management based implementation • Present the change effort as a requirement 	190,157	14%	3

Note. *N* = 22.

Themes for Research Question 2.

Theme 1: Broad and frequent communication. The central theme that emerged in addressing Research Question 2 is broad and frequent communication (results are displayed in Table 24). Participant 134 explained,

Communication was the biggest aspect of what we're trying to do and keep in mind outsourcing sixty percent of our budget meant that we were reducing our staff level by fairly a large number. We were laying people off at the same time trying to get people excited about the future. It was a very interesting balancing act that we were playing.

Participant 342 discussed the importance of frequent communication: "It was managed through a centralized project management office. Having regular and consistent communication was important." Table 22 shows that 63% of executives and 68% of midlevel managers of IOUs in California referenced communication as an effective practice in creating employee acceptance and support of organizational change.

Table 24

Frequency of Responses for Theme 1: Broad and Frequent Communication

Executives	% of Executives	Frequency	Midlevel Managers	% of Midlevel managers	Frequency
6	75%	17	6	75%	15

There were some similarities and differences between executives and midlevel managers. Seventy-five percent of executives and 75% of midlevel managers agreed that communication was an effective practice in creating employee acceptance and support of organizational change (Table 24). Practices employed by executives include having broad, consistent, and frequent communication through a series of employee meetings,

dialogues, town hall meetings, and providing employees with an opportunity for feedback. Midlevel managers’ responses revealed robust communication with employees and legislators, follow-up and follow through, and high level of employee education.

Theme 2: Providing the necessary tools. Eleven percent of executives (Table 22) and 18% of midlevel managers (Table 23) referenced providing the necessary tools to employees to create employee acceptance and support of organizational change. Participant 176 stressed the importance of “training” as a necessary tool. Participant 398 explained that he or she implemented a “series of team-building efforts for employees to better understand the strategy.” Participant 114 discussed how he or she provided numerous training to employees: “We had individuals who successfully executed the strategies give presentations. They talked about their experience and how they executed the strategies.” Participant 157 described how he or she engaged the assistance of a consultant: “So they wrote an organizational change plan and had series of meetings explaining the history, the importance, the impact, timeline, and the support needed from employees to make it successful.” Table 25 shows that 25% of executives and 25% of midlevel managers agree providing the necessary tools create employee acceptance and support of change.

Table 25

Frequency of Responses for Theme 2: Providing the Necessary Tools

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
2	25%	3	2	25%	4

There were some similarities and differences between executives and midlevel managers. Twenty five percent of executives and 25% of midlevel managers spoke about

providing the necessary tools to employees to gain acceptance and support of organizational change (Table 25). Executives explained the importance of training and team building as necessary tools. Midlevel managers saw the value of hiring an external consultant to aid in the implementation of organizational change processes and employee training.

Theme 3: Plan/processes used. Fifteen percent of executives (Table 22) and 14% of midlevel managers (Table 23) referenced that providing a plan or developing a process in support of the change initiatives was a practice employed. Executives explained how they “used Lean Six Sigma” and another used the “Prosci ® Flight Risk Model method” in their implementation. Midlevel managers engaged the services of consultants in the development of the change plan and the rollout to employees. Table 26 shows that 37.5% of executives and 37.5% of midlevel managers agreed that providing a plan or developing a process was a necessary practice to gain employee support of the change.

Table 26

Frequency of Responses for Theme 3: Plan/Processes Used

Executives	% of Executives	Frequency	Midlevel Managers	% of Midlevel Managers	Frequency
3	37.5%	4	2	37.5	3

There were some similarities and differences between executives and midlevel managers. Thirty-seven point five percent of executives and 37.5% of midlevel managers agreed that providing a plan or developing a process in support of change implementation was used (Table 26). Executives used change management processes that were implemented by their teams while midlevel managers engaged the services of consultants in the development of the change plan and its rollout to employees.

Theme 4: Effective leadership. Eleven percent of executives saw the value of effective leadership (Table 22). Participant 115 explained how he “made sure that the leadership team had the opportunity to voice their opinions and understood the importance of employee engagement.” Participant 134 discussed how his/her “unit leaders made the commitment to attain the desired outcome and they just implemented it.” None of the midlevel managers mentioned effective leadership as a practice they used in creating employee acceptance or support of the change effort (Table 27).

Table 27

Frequency of Responses for Theme 4: Effective Leadership

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
2	25%	3	0	0%	0

There were some similarities and differences between executives and midlevel managers. Twenty-five percent of executives agreed that effective leadership was a practice that was implemented. Having an effective leader can help gain employee acceptance or support of organizational change.

Research Question 3

What supports do executive leaders and midlevel managers of IOUs perceive affect employee acceptance or resistance to organizational change in IOUs?

Data results for Research Question 3. To investigate Research Question 3, participants were asked to discuss what assistance or support they and the organization provided to employees during the implementation of change efforts. Themes and findings are discussed in the next section.

There were two themes that surfaced from the executive group: tools and training (42%) and secured assistance from others (58%). Regarding the theme, tools and training, Participant 398 explained how his or her “organizational effectiveness department is responsible for employee training and employee development. They helped plan and communicate with employees.” Participant 401 named the various training his or her IOU provided: “Career services type of training such as how to interview for a job. We also provided them with mentors.” For the theme of secured assistance, Participant 250 indicated that she or he “brought in consultants to support the change effort and help structure it.” Participant 342 described the types of training his or her IOU provided: “The training was on process improvement and new technologies.” Participant 115 explained how “they brought in a consulting firm and that firm was helpful for us in terms of being on the ground with employees.” Results are summarized in Table 28.

Table 28

Supports Provided by Executives During the Implementation of the Change Effort

Themes from executive interviews	Participants	% based on <i>N</i>	Frequency of reference
Tools and training	398,401, 176, 342	42%	5
Secured assistance from others	250, 115	58%	7

Note. *N* = 12.

There were three themes that emerged from the midlevel managers’ interviews: training (33%), secured assistance from others (33%), and access to supervisors, managers, and executives (33%). Regarding training, Participant 235 expressed “how he offered training to employees.” Participant 125 discussed the creation of “PRISM

University, which was essentially a half-day working session with materials that was developed outlining the key change concepts.” Participant 210 mentioned how her or his department offered “training and development. Identifying the skills and abilities needed in the organization and providing necessary training for employees.” For secured assistance from others, Participant 190 explained how her or his department “offered up resources to do the heavy lifting for employees.” Regarding access to supervisors, managers, and executives, Participant 114 stated that employees “could go to their supervisor and director with any question. They were given access to the executive vice president and human resources.” Results are summarized in Table 29.

Table 29

Supports Provided by Midlevel Managers During the Implementation of the Change Effort

Themes from midlevel managers’ interviews	Participants	% based on <i>N</i>	Frequency of reference
Training	125, 235, 210	33%	3
Secured assistance from others	190, 157, 110	33%	3
Access to supervisors, managers and executives	114, 196, 235	33%	3

Note. *N* = 9.

Themes for Research Question 3.

Theme 1: Tools, training, and regular communication. Forty-two percent of executives and 33% of midlevel managers referenced tools and training to employees during the implementation of the change effort. Executives stated that employees were prepared by providing them with training, that is, “training for an interview, process improvement, new technologies, and mentorship activities.” Midlevel managers stated that the resources provided could help with “heavy lifting” when it comes to technical

challenges and administering compliance and control. Results are summarized in Tables 28 and 29. Table 30 shows that 50% of executives and 37.5% of midlevel managers agreed that tools, training, and regular communication was a practiced employed to gaining employee support of change.

Table 30

Frequency of Responses Theme 1: Tools, Training, and Regular Communication

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
4	50%	5	3	37.5%	3

There were some similarities and differences between executives and midlevel managers. Fifty percent of executives and 37.5% of midlevel managers agreed that providing employees with tools and training affects employees’ acceptance of the change effort (Table 30). Participant 342 stated, “Employees were pleased with the support provided. Generally folks wanted additional skills and how to understand the new environment that we were moving into.” Participant 210 expressed “how employees had reacted positively to the support provided. They took advantage of it.” Participant 235 stated, “Employees were very appreciative. They used it to help them with their day-to-day. Very helpful.”

Theme 2: Secured assistance from others. Fifty-eight percent of executives and 33% of midlevel managers referenced soliciting the assistance of other groups, particularly organizational effectiveness experts, in the implementation of the change effort. Participant 250 “brought in consultants to support the change effort and help structure it.” Participant 115 “brought in a consulting firm who was on the ground with

employees.” Participant 110 had a “whole change management team that walk[ed] through all the tactical and strategic stuff.” Results are summarized in Tables 28 and 29.

In an article by Carson (2018), it was stated that utilities have been reported to have extensive budget and integration capabilities but fall behind in dedicating resources to change management. Garza (2011) stated that this industry is inclined to be very conservative, slow to change, and engineering oriented. The organization relies heavily on employees with specialized knowledge and well-seasoned skills (Garza, 2011). Engaging the help of an organizational effectiveness expert or consultant provides employees with the necessary skills with which to implement a change effort that is not readily available in the current utility structure. Table 31 showed that 25% of executives and 37.5% of midlevel managers agreed that securing assistance from others was necessary to gain employee support.

Table 31

Frequency of Responses for Theme 2 Secured Assistance from Others

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
2	25%	7	3	37.5%	3

There were some similarities and differences between executives and midlevel managers. Twenty-five percent of executives and 37.5% midlevel managers agreed that providing employees with assistance from other groups affected employees’ acceptance of the change effort (Table 31). Participant 190 explained how employees reacted “wonderfully to the assistance provided.” Participant 250 stated, “Employees liked the support. However, in places they were a bit suspicious of consultants. The consultants

adapted well to the company style and culture. They were able to gain the trust of the organization.”

Theme 3: Access to supervisors, managers, and executives. None of the executives referenced access to supervisor, managers, and executives as a support provided to employees. Thirty-three percent of midlevel managers referenced that they provided employee’s access to supervisor, managers, and executives. Participant 210 explained, “They have an open door policy.” Participant 114 related, “Employees could go to their supervisor or director with any question. They also have access to our executive vice-president.” Participant 235 stated, “They have access to me, they have my contact information. Any interaction they needed I supported.” Results are summarized in Table 29.

In the study by Mehta (2014), supra, it was described that an effective leader creates a climate, which enables and entuses employees to achieve the organization’s objectives by ensuring resources are available and by maintaining open communication. Providing employees a channel to communicate with leaders, providing them with the necessary knowledge and tools can help create a climate conducive for employees to embrace change.

Table 32

Frequency of Responses for Theme 3: Access to Supervisors, Managers, and Executives

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
0	0%	0	3	37.5%	3

There were some similarities and differences between executives and midlevel managers. Executives did not reference access to supervisors, managers, and executives as

a support provided to employees; 37.5% of midlevel managers on the other hand agreed that providing support to employees is important (Table 32). Participant 235 mentioned that employees were “very appreciative.” Participant 114 stated, “Employees reached out. They had suggestion boxes and management took action of employees’ suggestions.”

Research Question 4

What barriers do executive leaders and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change?

Data results for Research Question 4. To address this question, participants were asked to describe impediments that affected the implementation of the change effort in which they had been involved. Themes that emerged are found in Table 33.

There were four themes identified in the discussion with executives. These included organization/leaders were unprepared for the change (46%), employee resistance (27%), and external forces (27%). Under unpreparedness, Participant 342 explained the “lack of sufficiently trained project management and change management experts that led to ineffective communications. This resulted to employees’ unwillingness to help.” Participant 242 acknowledged “that they did not do a good job of being very explicit upfront.” Participant 115 stated that the “biggest barrier was that they were not prepared for the mandate.”

Participant 401 described employee resistance as employees’ skepticism: “People always assume the worst.” The number one employee concern as described by Participant 176 was, “Are these changes going to eliminate my job?” Participant 250 described that the barrier was “change itself. People were familiar with the way things were structured and the way they worked.”

External forces include union employees and constant changes in the environment. Participant 342 stated, “One of our biggest challenges turned out to be our union.” Participant 398 indicated that the barrier they faced was the “constantly changing environment. When you are implementing a long-term change management plan, your environment changes and being able to focus on the plan but also having flexibility to accommodate the changes in the environment was challenging.”

Table 33

Barriers Identified by Executives Affecting Employee Acceptance or Resistance to Change

Themes from executive interviews	Participants	% based on <i>N</i>	Frequency of Reference
Unprepared for the change	342, 242, 115	46%	5
Employee resistance	401, 176, 250, 242	27%	3
External forces	398, 115, 342	27%	3

Note. *N* = 11.

Three themes were identified in the discussion with midlevel managers. They are external forces/employee-focused concerns (25%), unprepared for the change (50%), and lack of time to make changes (25%). Results are found in Table 34. Under external forces, Participant 125 explained, “There is a real challenge that all major utilities in California are facing. There are just too many things going on. There is a real change fatigue and quite frankly just a capacity issue.” Participant 210 elucidated that the company had been impacted by natural disasters in the territory: “There’s been so much negative press about some regulatory compliance issues leading to uncertainty of the company’s future. This affected employee morale.” Employee focused concerns, Participant 196 said, “The biggest barrier was the communication from the top down and

managers/directors not coming to the people to tell them what the change is or getting their opinions or telling employees why change is necessary.” Participant 157 explained,

There were not a lot of benefits to employees because the change was mandated. In implementing changes in the organization employees usually want to know what’s in it for them. So the barrier may be because this was a mandate and we have to conform.

Table 34

Barriers Identified by Midlevel Managers Affecting Employee Acceptance or Resistance to Change

Themes from midlevel managers	Participants	% based on <i>N</i>	Frequency of reference
External forces	125, 210, 196, 157	25%	3
Unprepared for the change	190, 125, 114	50%	6
Lack of time	114, 235, 210	25%	3

Note. *N* = 12.

Participant 190 explained that the organization was not prepared for the changes. “It was new to our business. It is a huge organization. It is not a one-size-fits-all model.”

Participant 125 stated that “there is a real resource issue. Too many changes taking place.” Participant 114 discussed the need of having a pilot first: “You had a system issue. It was a good idea but no way to support it in the back end.”

Lack of time was also a theme identified. Participant 114 expressed that they “did not have time to look into lessons learned.” Participant 235 articulated employees’ “concern of not having enough time to do the work.” Participant 210 explained, “Because we were such a large organization it took a lot of time to get buy-in from our H.R. and legal organizations.”

Themes for Research Question 4.

Theme 1: Unprepared for the change. Forty six percent of executives and 50% of midlevel managers referenced that unpreparedness for the change was a barrier affecting employee acceptance or resistance. Participant 190 explained that unpreparedness makes the organization look like it “lack[s] credibility, which for a change effort is not good because you need credibility.” Participant 342 discussed how “employees reacted negatively, creating significant disruption.” The results summary is located in Tables 33 and 34. Table 35 showed that 37.5% of executives and 37.5% of midlevel managers agreed that unpreparedness for the change was a barrier that affected employee acceptance.

Table 35

Frequency of Responses for Theme 1: Unprepared for the Change

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
3	37.5%	5	3	37.5%	6

There were some similarities and differences between executives and midlevel managers. Thirty-seven point five percent of executives and 37.5% midlevel managers agree that unpreparedness was a factor that affected employee acceptance or resistance to change (Table 35). Participant 115 explained how he or she was not prepared and how he or she had to go away for a while to figure out things. Employees in the meantime were worked up and thought that the world was coming to an end because we had not said a whole lot. So we had to spend the next few weeks trying to rebuild trust. Participant 125 described that he was not prepared and his experience was “challenging and had to work at it pretty actively to tear down the barrier.”

Theme 2: Employee resistance. Executives referenced (27%) employee resistance was a barrier while midlevel managers did not indicate resistance was a factor. Participant 401 expressed that “employees who were skeptical of the change rejected it or it took them longer to embrace change.” Participant 176 stated that “the number one concern people had was, are these changes going to eliminate my job.” The results summary is located in Table 33. Table 36 showed that 50% of executives agreed that employee resistance was a barrier to change. Midlevel managers did not indicate employee resistance was a factor.

Table 36

Frequency of Responses for Theme 2: Employee Resistance

Executives	% of Executives	Frequency	Midlevel Managers	% of Midlevel Managers	Frequency
4	50%	3	0	0%	0

There were some similarities and differences between executives and midlevel managers. Midlevel managers did not indicate employee resistance was a barrier while 50% of executives stated that it was a hindrance (Table 36). Participant 401 indicated that employees were “skeptical of the change.” Participant 176 discussed how employees were concerned about “losing their job.”

Theme 3: External forces. Twenty-seven percent of executives and 25% of midlevel managers referenced external forces were barriers to employee acceptance or resistance to change (Tables 33 and 34). Participant 342 explained that union employee was their biggest challenge and Participant 398 stated that it was the “constantly changing environment” that negatively affected their change effort. Participant 125 expressed concern over “too many things going on and facing change fatigue.”

Participant 210 discussed the impact of natural disasters and negative press to its employees' morale. Participant 157 specified that "their change efforts were mandated and have no benefit to employees." Table 37 showed that 37.5% of executives and 50% of midlevel managers agreed that external forces was a barrier that affected employee acceptance.

Table 37

Frequency of Responses for Theme 3: External Forces

Executives	% of Executives	Frequency	Midlevel managers	% of Midlevel managers	Frequency
3	37.5%	3	4	50%	3

There were some similarities and differences between executives and midlevel managers. Thirty-seven point five percent of executives and 50% of midlevel managers agree that external forces affect employees' acceptance or resistance to organizational change (Table 37). Participant 342 (executive) stated that union employees were challenging and Participant 398 (executive) expressed how "constantly changing environment" was difficult for them to cope with. Participant 125 (midlevel manager) expressed concern over too many changes resulting in change fatigue. Participant 210 (midlevel-manager) discussed the impact of "natural disasters and negative press to employees' morale."

Theme 4: Lack of time. Lack of time was referenced (25%) by midlevel managers and was not mentioned by executives. Participant 114 indicated that he or she did not have time to look into lessons learned and that was a barrier. Participant 235 stated, "We need to turn around things pretty fast and the time we had available was not enough. This was everybody's biggest concern." Participant 210 thought that his or her

“biggest barrier was it took a lot of time to get buy in” from other departments. Table 38 showed that 37.5% of midlevel managers agreed that lack of time was a barrier that affected employee acceptance. Executives did not mention lack of time as a barrier.

Table 38

Frequency of Responses for Theme 4: Lack of Time

Executives	% of Executives	Frequency	Midlevel Managers	% of Midlevel Managers	Frequency
0	0%	0	3	37.5%	3

There were some similarities and differences between executives and midlevel managers. Executives did not mention lack of time as a barrier to change. Thirty-seven point five percent of executives agreed lack of time was a barrier (Table 38). Three of the midlevel managers indicated that they did not have enough time. Participant 114 expressed lack of time to look into lessons learned. Participant 235 stated that he or she had to move fast and needed more time while Participant 210 indicated that he or she lacked the time to get buy in from others.

Summary

Chapter IV summarized results of the qualitative study through in-depth interviews. The interviews captured “deeper thoughts and insights into the . . . perceptions” (Chan-Nauli, 2018, p. 55) of eight executives and eight midlevel managers of IOUs in California. Table 39 summarizes the overall findings of the study.

Table 39

Summary of Research Questions, Themes, and Percentage of Agreement

Research Questions	Themes	% of participant agreement
Research Question 1: What strategies do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?	Theme 1: Effective Communication > Educating employees on the reasons and effects of change. Availability of feedback channel enabling two-way communications between employees and leaders.	63%
	Theme 2: Effective Process > Involving employees and experts in the implementation of the change effort. Laying out a transparent process/roadmap.	25%
	Theme 3: Provide Tools and Develop Skills > Provide training to make sure employees are able to cope with the change and engage experts to help with implementation.	11%
Research Question 2: What practices do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?	Theme 1: Broad and Frequent Communication > Having broad, consistent, frequent communications through employee meetings, dialogues, etc.	75%
	Theme 2: Providing necessary tools > Consistent and necessary training to employees.	25%
	Theme 3: Plans/processes used > Important to use processes such as Lean Six Sigma or Prosci Model. Engage experts in the development of the change plan	31%
Research Question 3: What supports do executive leaders and midlevel managers of IOUs perceive affect employee acceptance or resistance to organizational change in IOUs?	Theme 1: Tools, training and regular communications > Support provided includes training i.e. how to interview for a position, how to use new technologies, and mentorship activities. Provided resources to help with the implementation.	44%
	Theme 2: Secured assistance from others > Solicited assistance from organizational effectiveness experts, internal or external resources were brought	31%
	Theme 3: Access to supervisors, managers, and executives > Employees can go directly to their supervisors, managers, and executives to ask questions, raise concerns, etc.	19%

Table 39 (continued)

Research Questions	Themes	% of participant agreement
Research Question 4: What barriers do executive leaders and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change in IOUs?	Theme 1: Unprepared for the change > Organizations/leaders who are not ready for the change can lose credibility, makes the process longer to implement, and creates disruption. Employees react negatively.	38%
	Theme 2: Employee resistance > Skeptical employees are more likely to resist change. Employees are concerned about job loss as a result of the change effort.	25%
	Theme 3: External forces >Constantly changing environment and union employees were seen as barriers.	44%
	Theme 4: Lack of time > Employees did not have time to look into lessons learned, no time to implement the change, and other groups took longer to gain support/buy-in	19%

Summary of Similarities and Differences

A review of similarities and differences (Table 40) shows strong agreement of Research Question 1, Theme 1, effective communication (reason for change), shows 75% of executives and 50% of midlevel managers in agreement. Research Question 2, Theme 1, broad and frequent communication (frequent/consistent communications), shows 75% of executives and 75% of midlevel managers in agreement. Research Question 3, Theme 1, tools, training, and constant communications (employee training to cope with the change), shows 50% of executives and only 37.5% of midlevel managers in agreement. Research Question 4, Theme 2, employee resistance (skepticism, concern of job loss), shows 50% of executives in agreement and mid-managers with 0%.

Table 40

Summary of Similarities and Differences

Theme number	Executives	% of Executives	Frequency	Midlevel Manager	% of Midlevel manager	Frequency
Research Question 1						
1	6	75.0%	6	4	50.0%	11
2	2	25.0%	2	2	25.0%	2
3	0	0.0%	0	2	19.0%	3
Research Question 2						
1	6	75.0%	17	6	75.0%	15
2	2	25.0%	3	2	25.0%	4
3	3	37.5%	4	2	37.5%	3
4	2	25.0%	3	0	0.0%	0
Research Question 3						
1	4	50.0%	5	3	37.5%	3
2	2	25.0%	7	3	37.5%	3
3	0	0.0%	0	3	37.5%	3
Research Question 4						
1	3	37.5%	5	3	37.5%	6
2	4	50.0%	3	0	0.0%	0
3	3	37.5%	3	4	50.0%	3
4	0	0.0%	0	3	37.5%	3

Major Findings**Major Finding 1**

Effective communication throughout the IOU is critical to the success of the organizational change initiative.

Effective communication emerged as of paramount importance from comments shared throughout the interviews. It was characterized often as educating employees on the reasons and effects of change and providing channels for feedback. More specifically, effective communication involved having broad, consistent, frequent communication. A leader inspires employees by clearly communicating his or her vision (Mehta, 2014). Bel et al. (2006) discussed the importance of two-way communication

and face-to-face interaction in the implementation of change efforts. Responsibility is shared for employee input, good news or bad, and must travel up the chain of command encouraging, interest, contributions, and the concerns of stakeholders. An open communication strategy should be encouraged. These methods to achieve effective communication can result in a positive relationship between the frequency of communication in the organization and the implementation of a significant change effort (Bel et al., 2006).

Major Finding 2

Provide employees with the necessary tools and skills to facilitate their effective participation in the organizational change process.

Providing employees with the necessary tools and skills was a protuberant theme throughout the interviews. Study participants emphasized the importance of training to ensure that employees are able to cope with change. Employee support mentioned in the study included engaging the assistance of experts at the implementation of the change effort and providing employees with the opportunity to develop new skills. This finding is consistent with Kotter and Schlesinger's (1989) resistance-to-change model reference to employees' "low tolerance for change" (p. 295). Employees fear not being able to cope or develop new abilities to implement change. "Working in a certain way for years means security and stability. Employees find it hard to exchange this for the unknown" (Van Vliet, 2011, p. 1).

Major Finding 3

Formulation of an effective plan and process are necessary to the successful implementation of change efforts.

Laying out an effective plan and process was important to executives and midlevel managers. Soliciting the assistance of internal or external organizational effectiveness experts, involving employees in the implementation of the change effort, and utilizing programs such as Lean Six Sigma or the Prosci model were some of the techniques suggested. Durant (1999) explained that any business change approach must involve plans to engage and support employees. This vital aspect of organizational change is very often neglected. Typically, when companies change management programs focused on technical issues, they tend to place less emphasis on organizational structure, processes, and people (Durant, 1999).

Major Finding 4

Employee access to supervisors, managers, and executives provide opportunity to align understanding of the change initiative.

Interaction with supervisors, managers, and executives allows employees the opportunity to ask questions and raise concerns. This was a theme that emerged throughout the interviews. Executives and midlevel managers alike observed that employees want to be heard. Kotter and Schlesinger (1989) described that employees have varying assessments of situations and at times may misunderstand or have incorrect information. These factors can trigger resistance (Kotter & Schlesinger, 1989). Through involvement and a participatory process aligning the perspectives of leaders and employees affected, resistance may be mitigated.

Major Finding 5

Leaders and IOUs are unprepared for change.

A consistent theme that emerged was organizations and/or leaders' unpreparedness for the change. Participants specifically mentioned that those that are not ready to change could lose their credibility resulting in a longer implementation process. This creates disruption and negative reactions from employees. SDG&E's senior vice president of power supply, in an article in Green Tech Media stated, "If you are not prepared for the change, you're too late" (Pyper, 2015, para. 14). Hart et al. (2009) indicated in a utility study that the capacity of executives to lead the workforce ranked very low on the effectiveness scale. Leaders in this industry showed a notable weak spot in "building and leading a team, confronting problem employees, building a broad functional orientation, and career management" (Hart et al., 2009, p. 6). Afzal (2016) explained that the utility industry is transforming. Market conditions, industry and social trends, natural disasters, and operational crises are threatening the traditional utility business model. IOUs have become very conservative, stodgy, risk averse in management style. According to Thompson (1991), "IOUs are not known to be innovators of American industry" (p. 32). Changes in this sector are now occurring without a coherent plan to deal with the challenges (Pyper, 2015).

Major Finding 6

Employees' concern for self leads to resistance to change.

Participants observed that employees are most interested in understanding profoundly the effects, if any, the change will have on their future in the organization. These employees are skeptical and concerned about job loss as a result of the change

effort. This is consistent with employees' attention to preservation of self or parochial self-interests as described by Kotter and Schlesinger's resistance-to-change model. The authors explained that one of the main reasons employees resist change is because they put themselves first over the organization (Kotter & Schlesinger, 1989). Understanding the effects of the change effort upon employees' futures can eliminate their fears.

Major Finding 7

External forces can negatively affect the implementation of change initiatives.

External forces that affect change was a theme that emerged throughout the interviews. This was a barrier to change that was described by participants as including not just environmental changes but also union interference. Additionally, in the implementation of a long-term change plan, flexibility to accommodate changes in the environment must be considered. In Ackerman Anderson and Anderson's (2010) *Change Leader's Road Map*, they discussed how environmental forces may influence change. Vaill (1991) described change as "permanent white water" (p. 1). Individuals are constantly caught in the rapids. The concept of using resources that can be controlled to ensure success is no longer relevant in today's environment. Vaill stated that the environment dictates change and change continuously occurs. Individuals have limited control over the market, which can be navigated only by those with the specialized skills necessary to negotiate the maze of an ever-changing market place (Durant, 1999). Administration of continuous change is difficult for organizations (Mehta, 2014). Hodges and Gill (2015) believed, "Business success requires a strong commitment to sustainability and, in particular, sustainable change" (p. 420).

Major Finding 8

Employees lack the time to understand the change effort.

Lack of time was a prevalent theme that surfaced from the interviews. Employees did not have enough time to look into past experiences, gain a better understanding of the upcoming change, and plan to avoid pitfalls. They did not have enough time to implement the change effort. Gaining support from others took a long time. Kotter and Schlesinger (2008) explained that employees react to change in a variety of ways and it is necessary to assess the situation as accurately as possible, requiring thorough analysis. To effectively lead others, leadership must understand the types of change they plan to implement (Myatt, 2012). Basu (2018) added, “Employees and midlevel managers should understand why change is necessary, because without their buy-in, the change process may never succeed” (p. 1).

Major Finding 9

Executives and midlevel managers had opposing points of view of the organizational change experience.

During the context question discussion, executives indicated that they had a favorable experience in the implementation of the change effort while midlevel managers recounted unfavorable experiences. Executives discussed how employees embraced change and that it was successful. On the other hand, midlevel managers thought employees were unhappy and uncomfortable with the changes. Kotterman (2006) stated that leaders are highly regarded and seen as charismatic. Often, their employees admire them. M. Burke (2016) discussed that, more than likely, change efforts come from executives down to midlevel managers, then to frontline employees. This might be a

reason why leaders had a favorable experience. Research by E Source found that most resistance comes from midlevel managers who have the hardest job in the organization. They get their orders from executives and then face major challenges from frontline employees, resisting the effort (M. Burke, 2016).

Unexpected Finding

Executives require employees to embrace change or exit the organization.

Some executives observed during the context question discussion that employees really do not have the option of rejecting change. Change efforts are often a result of regulatory mandate or direction from stakeholders that necessitated new priorities or business processes. Rejection was tantamount to exiting the company. Ackerman Anderson and Anderson (2010) discussed how leaders do not always place due consideration upon employees' needs. They stressed that in times of extreme pressure leaders ignore the human component because it is time consuming, "People will just have to deal with it" (Ackerman Anderson & Anderson, 2010, pp. 428-430).

CHAPTER V: FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Chapter V covers the purpose of the study, research questions, and a summary of key findings in this study. Suggestions for future research and conclusions are also presented within this chapter. Final thoughts and reflections by the researcher conclude the chapter.

Purpose of the Study

The purpose of this qualitative study was to identify the strategies and practices executives and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change. A further purpose was to identify the supports and barriers executive leaders and midlevel managers perceive as affecting employee acceptance or resistance to organizational change within IOUs.

Research Questions

This study was guided by the following questions.

1. What strategies do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?
2. What practices do executive leaders and midlevel managers of IOUs perceive are effective in creating employee acceptance and support of organizational change?
3. What supports do executive leaders and midlevel managers of IOUs perceive affect employee acceptance or resistance to organizational change in IOUs?
4. What barriers do executive leaders and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change in IOUs?

Methodology

The study's purpose statement and research questions guided the approach to a qualitative research design. This design enabled the capture of "deeper thoughts and insights into the . . . perceptions" (Chan-Nauli, 2018, p. 55) of leaders of IOUs. Several data collection strategies were considered and in-depth interviews stood out as most appropriate, based on the unique necessities of the research. The study delved into the strategies and practices used by executives and midlevel managers who are perceived effective in creating employee acceptance and supportive of organizational change. Furthermore, support and barriers affecting employees' acceptance or resistance to organizational change in this sector were also examined.

The study analysis was conducted using NVivo to help identify the themes that emerged from the interviews of executives and midlevel managers from four large California IOUs. Research Questions 1, 2, and 3 investigated the strategies, practices, and supports executives and midlevel managers of IOUs perceived were effective in creating employee acceptance and support of organizational change. To address these questions, participants were asked to describe the strategies, practices, and supports employed in the implementation of change efforts in which they were involved. Research Question 4 investigated the barriers executive and midlevel managers of IOUs perceive as affecting employee acceptance or resistance to organizational change. To gain an understanding of these barriers, participants were asked to describe hindrances that affected the implementation of the change effort in which they had been involved. Findings are discussed in the next section.

Major Findings

An analysis of the data in this study led to nine findings. An additional unexpected finding also came to light. While the supporting literature covered a large amount of empirical research on the impact of change, resistance to change, and employee behavior toward organizational change efforts (Aliyu et al., 2017; Entin, Diedrich, Kleinman, Hocevar, et al., 2003; Entin, Diedrich, Kleinman, Kemple, et al., 2003; Gilley et al., 2009; Jumbe & Proches, 2016; Oreg & Berson, 2011), it did not identify strategies, practices, supports, and barriers to organizational change initiatives in large IOUs in California. The findings in this study provided insight into the strategies, practices, supports, and barriers experienced during the organizational change process, as perceived by leaders of four major IOUs.

Major Finding 1

Effective communication throughout the IOU is critical to the success of any organizational change initiative.

Effective communication and educating employees on the reason and effects of change were common threads discussed throughout the research. Enabling employees to provide feedback and allowing for broad, consistent, and frequent communication was another. Kotter and Schlesinger (1989) explained that one of the main reasons employees resist change is that they consider their own needs before those of the organization. Employees who do not understand why change is necessary may be struggling under a lack of information that may lead to resistance (Kotter & Schlesinger, 1989). Through effective, broad, consistent, and frequent communication about the reasons behind the change effort, resistance can be mitigated. As a result, employees have an opportunity to

gain a better perspective with regard to the change that is taking place and how it affects them personally. Kotter and Schlesinger explained that an education and communication program is a necessity when obstruction to change is grounded on incomplete or incorrect information. Ackerman Anderson and Anderson (2010) discussed, “Communicating a clear case for change and desired outcomes, building an integrated change strategy, clarifying how to engage stakeholders early and meaningfully, establishing a sound communication plan, and shifting leadership mindset” (p. 781) are critical activities.

Major Finding 2

Provide employees with the necessary tools and skills to facilitate their effective participation in the organizational change process.

This finding strongly aligns with Kotter and Schlesinger’s (1989) conclusion that employees resist change because they may perceive they do not have the necessary skills to successfully implement the change. Equipping employees with the necessary tools to facilitate effective implementation of the change effort was a strategy and practice discussed by both executives and midlevel managers. Employee training, engaging experts to help with the implementation of the change initiative, and developing a roadmap to achieve change goals were some of the practices mentioned as aiding in their eventual success. Employees with apposite knowledge are better able to cope with and control the situation. Lee (2016) stated, the degree of control a person maintains in a challenging situation is directly relative to that individual’s ability to cope. The more control an employee has, the better his or her approach to change, uncertainty, and the challenges he or she may face.

Major Finding 3

Formulation of an effective plan and process are necessary to the successful implementation of change efforts.

Creating an effective plan or roadmap with the help of experts from the field of organizational effectiveness was perceived by study participants to contribute to employee acceptance and support of organizational change. Utilizing effective processes such as the Lean Six Sigma or the Prosci change model, and engaging the assistance of experts, enabled the development of effective plans and processes. Strebel (1996) stated that in order to successfully cope with change, committed managers employ process improvement plans. Process improvement is defined as the task of examining current processes utilized by the company, department, and project to determine how they can be made more efficient. Some companies use process improvement philosophies, such as change management, to increase success and accelerate the implementation of change efforts while others use lean philosophies to eliminate waste as is outlined in Lean Six Sigma, a statistical model measuring processes in terms of defects (Pavord, n.d.).

Major Finding 4

Employee access to supervisors, managers, and executives provide opportunity to align understanding of the change initiative.

Both groups interviewed explained the importance of employees' access to supervisors, managers, and executives. Two-way communication enables frontline employees to ask questions and raise concerns. In turn, supervisors, managers, and executives are better positioned to address employees' trepidations and frets arising out of the change initiative. Bel et al. (2006) recommended face-to-face interaction. In

addition, responsibility is shared for employee input, good news or bad, and must travel up the chain of command encouraging, interest, contributions, and the concerns of stakeholders. They advocated for an open communication strategy within organizational change processes. Achieving effective communication can result in a positive relationship between the frequency of communication in the organization and the successful implementation of a significant change effort (Bel et al., 2006).

Major Finding 5

Leaders and IOUs are unprepared for change.

Executives and midlevel managers discussed their unpreparedness to implement change initiatives in their organization. This led to employee resistance. The absence of experienced change and project management experts resulted in employees' unwillingness to fully cooperate. Executives were not straightforward and did not explain the reasons and implications of the change effort to those affected. Hart et al. (2009) indicated in a utility study, leaders in this industry have difficulty with change or adapting to a new way of doing things. They resist change, have difficulty learning from mistakes, do not follow up on promises, and lack the depth to manage outside of one's current function (Hart et al., 2009).

Major Finding 6

Employees' concern for self leads to resistance to change.

Executives discussed employees' skepticism and concern over the possibility of losing their jobs. This is consistent with Kotter and Schlesinger's (2008) conclusion that change efforts often face resistance from employees. They explained that employees see change as disruptive while managers see it as an opportunity (Strebel, 1996). Change is

not easy, especially in the workplace (The Overture Group, 2018). Employees become entrenched in the way they do things. They have a routine, a schedule, habitual behavior that provides a feeling of comfort. Being able to predict exactly what their job entails gives them a sense of ease. Kotter and Schlesinger (1989) explained that those affected by positive or negative change might experience emotional instability. Individuals react differently and may passively resist the change effort. The authors stated that one of the most common reasons change efforts face resistance is due to the perception by employees that they are losing something of value and oppose the effort in order to preserve the status quo (Kotter & Schlesinger, 1989).

Major Finding 7

External forces can negatively affect the implementation of change initiatives.

Participants described environmental changes and union interference as a barrier to change. This aligns with Ackerman Anderson and Anderson's (2010) observation that external environmental factors continue to present challenges to organizations. The capacity to deal with change increases as a result of environmental shifts (Dentinger & Derlyn, 2009). To thrive in this forever-changing climate, organizations must continue to embrace successful organizational change strategies (Durant, 1999). They must be prepared to deal with and sustain change in order to cope with fluctuating external factors. It is not enough to simply react to environmental vicissitudes (Dentinger & Derlyn, 2009).

Major Finding 8

Employees lack the time to understand the change effort.

Midlevel managers explained how employees did not have enough time to learn from past change efforts. They had to implement the change quickly. Gaining support from other departments and researching history took time. This resulted in a delay in the change implementation and employee frustration. This aligned with Ackerman Anderson and Anderson's discussion that "the name of today's game is: 'Change as fast as you can to stay ahead of your competitors!'" (Ackerman Anderson & Anderson, 2010, pp. 416-418). As a result, leaders assign more work to their employees, with unending implementation of various change efforts contributing to more pressure and less time with which to cope. "Do more with less" (Ackerman Anderson & Anderson, 2010, pp. 416-418).

Major Finding 9

Executives and midlevel managers opposing points of view of the organizational change experience.

Executives described a positive experience in the implementation of the change initiatives, while midlevel managers related negative encounters. Executives viewed employees as accepting of the change effort while midlevel managers stated that employees were uncomfortable and unhappy. Executives had a positive experience in the implementation of the change effort due to *halo effect* or cognitive bias. Employees admire and respect those in leadership positions. Furthermore, executives are not normally involved in day-to-day tasks with frontline employees. On the other hand, midlevel managers work more intimately with frontline employees. They are in charge

of making sure that the change effort is employed properly and that it delivers its intended outcome. They face employees daily and hear objections to the change more intensely. Kotter and Schlesinger (2008) stated that different assessments of the situation are a common reason employees resist change. Research by E Source found that most resistance comes from middle level managers who have the hardest job in the organization (M. Burke, 2016). They get their orders from executives and then face major challenges from front line employees, resisting the effort (M. Burke, 2016).

Unexpected Finding

Executives require employees to embrace change or exit the organization.

Executives indicated that employees do not have an option but to embrace change. Laws and regulators mandate that IOUs implement change and therefore employees must comply. Refusal to execute the change initiative will result in dismissal. The executives indicated that they work with the employees and managers to communicate and include the staff members in implementing the change, but the employee must eventually cooperate in the change process or leave the organization. They indicated that there is a limit to how long they can persist in convincing employees to embrace the inevitable changes. Kurzawska (2018) identified the positive outcome of persistence in leadership. She stressed that successful leaders are compassionate and responsive to their employees' needs and possess emotional intelligence on a high level. A persistent leader requires involvement and the will to always improve the outcome (Kurzawska, 2018).

Conclusions

Resistance to change is a common risk factor in all organizations. People are normally set in their ways and find it difficult to make changes (Basu, 2018). Eilam and Shamir (2005) clarified how employees' difficulties in accepting change and modifying behavior can significantly delay change or result in organizational failure. An article by Strebel (1996) explained that employees and managers have different perspectives in relation to change initiatives.

The present study allowed a deeper understanding of the perceptions of IOU executives and midlevel managers in California into gaining employee acceptance and support of change efforts. Strategies, practices, supports, and barriers implemented were analyzed. Research findings and literature reviewed led to the following conclusions.

Conclusion 1

Educating employees and effectively communicating the reasons behind the organization's need to change can abate employees' resistance to change efforts.

Employees who do not understand why change is necessary may struggle to accept the change due to a lack of information. They perceive change as a threat to job security, status, and financial position (Kotter & Schlesinger, 1989). When employees are more aware and informed of the reasons behind the change, how it will affect them personally, and what is expected of them, they are more likely to embrace change and support managers and executives. Basu (2018) believed, "Employees and midlevel managers should understand why change is necessary, because without their buy-in, the change process may never succeed" (p. 1). According to Ackerman Anderson and Anderson (2010),

The best strategy is dialogue. Dialogue is a communication tool that we use heavily in our breakthrough process. Dialogue is a simple communication structure and process through which executives discover and tell their perceptions of the truth to each other about any relevant issue. The participants in dialogue reflect on their own feelings and thoughts, including their hopes and fears, and listen deeply to one another. This process usually uncover and helps resolve what has previously blocked alignment. (p. 1896)

Conclusion 2

Inadequate employee training and insufficient tools necessary to facilitate change leave employees unable to effectively implement the initiative.

Kotter and Schlesinger (1989) explained that employees resist change because they perceive they do not have the skills to implement the effort. To prepare employees to deal with change initiatives, organizations must analyze and make available the tools and training necessary to facilitate the development of new skills (Richards, 2018). In so doing, employees gain better control of the situation. The degree of control a person has in a challenging situation enables that individual to better cope (Kotter & Schlesinger, 1989).

Conclusion 3

When the leaders of IOUs create an effective change plan and process, employees are more positive and accepting of the change effort.

Any business change approach must involve plans to engage and support employees. This vital aspect of an organizational change initiative is very often neglected. Typically, when companies change management programs focused on

technical issues, they tend to place less emphasis on organizational structure, processes, and people (Durant, 1999).

Conclusion 4

When employees are provided the opportunity to engage in an open dialogue with supervisors, managers, and executives they are more likely to cooperate and implement the change initiative.

Engagement in an open dialogue among the leadership and employees facilitates a more positive relationship. Engagement contributes to increased commitment and achievement among employees (Arif et al., 2016). According to M. Crowley (2011), “Engagement is a force that drives human performance. When people are seen as highly engaged, they’re influenced to display initiative, approach work passionately and creatively, and essentially, to do all they can for their organization” (p. 17). Providing employees an opportunity to engage with leaders makes them feel valued and more connected with the organization. M. Crowley further discussed that employees desire the opportunity to “develop and contribute at increasingly greater level” (p. 168). This is a change within the organization’s culture in relation to how employees participate in the decision-making process. Ackerman Anderson and Anderson (2010) stated that “cultural change drives the need to shift leaders and employee behavior, and to sustain these, you will need to alter people’s mindset—their assumptions, perceptions, and beliefs about themselves, each other, and the organization” (p. 533).

Conclusion 5

When executives and midlevel managers have opposite perceptions of the effectiveness of organizational change processes, increased employee resistance will likely impact the full implementation of the change.

Strebel (1996) explained that employees and managers have different perspectives in relation to change initiatives. Inasmuch as both parties understand that leadership and vision are the driving forces in any change effort, the issue remains with leaders' failure to recognize the manner in which employees commit to change. Organizational inability to recognize this is a major contributing factor to failure (Strebel, 1996).

Conclusion 6

Employees are more accepting and supportive of the change process when they are given sufficient time to understand the need behind the change initiative.

The most common reasons change efforts face resistance is due to the perception that employees are losing something of value, and so oppose the effort in order to preserve the status quo (Kotter & Schlesinger, 1989). By allowing the time necessary to learn a novel process or a new job, employees learn how to maneuver and be successful in the new state (M. Burke, 2016).

Conclusion 7

When executives and midlevel managers do not anticipate and plan for external forces, then there may likely be negative implications to the organizational change process and their ability to gain employee support.

Roth (2015) discussed the widely accepted principle that organizations must continuously adapt to the changing environment in order to stay in business. She stressed

that with the increasing rates of change in the business environment, “an effective management of change processes is becoming more and more important” (Roth, 2015, p. 12). Ackerman Anderson and Anderson (2010) discussed the need for leaders to expand their world view and increase their awareness and skill to include all the drivers of change, both external and internal. It requires a different mindset and style. And, it demands that both leaders and employees undergo personal change as part of the organization’s transformation. It requires full attention to transforming organizational systems and culture, mindset, and behavior in individuals, relationships, and teams. (p. 1800)

Conclusion 9

Resistance and distrust among employees to organizational change initiatives are inevitable when executives give employees the choice to either accept the change or leave.

Leaders must consider that human capital is a vital asset to any business. Employee needs must be taken into consideration when identifying the type of change effort, outcome of the initiative, and the transition period necessary for implementation (Gray & Wilkinson, 2016). In these turbulent times, change requires a different kind of leadership, not just that which is concerned with process improvements and achieving short-term goals. To survive in today’s ever changing environment, leaders must inspire employees by clearly communicating their visions (Mehta, 2014). Kouzes and Posner (1993) discussed the importance of alignment of values between leaders and employees. Employees will have difficulty following leaders with whom they do not share the same values, vision, and passions. M. Crowley (2011) explained, “If you want exceptional

results from people who work for you, you need to make a personal connection with them” (p. 79). Leaders must gain and sustain employees’ trust. Kouzes and Posner (1993) explained:

Trust is openness. Trust is valuing other people such that you respect their opinions and perspectives. You listen to them. Trust means moving outside your comfort zone and letting go of always doing it your way, or even the way that ‘it’s always been done before.’ Trust requires honesty with oneself as well as with others. (p. 74)

Implications for Action

Based on the results of this study, it is apparent that IOUs can implement policies and new systems to increase the effectiveness of organizational change efforts and also increase employees’ acceptance of change. Often executives and midlevel managers are faced with implementing difficult changes specified by state law or regulations. Other times, sustainability, financial stability, or customer service issues drive change in IOUs. A carefully planned and executed organizational change process can result in less employee resistance and faster implementation of the needed changes. Commitment to the implementation of changes centered on the findings and conclusions in this study can have a positive impact on the financial stability and regulatory compliance of IOUs. Addressing these factors can create goodwill and teamwork among employees, executives, and midlevel managers of IOUs. The following are recommendations for action:

1. Effective Communication

IOUs need to develop an employee water cooler process for expanding informal conversations about organizational change initiatives. A water cooler process or conversation allows employees to take a break from work-related tasks, discuss challenges, and it gives them the ability to present solutions. This may be an informal monthly staff meeting or gathering. This is an employee organized and led meeting. The intent of the water cooler is to allow employees an opportunity to candidly discuss challenges they face while enabling leaders to be aware of their concerns without judgment or penalty. Employees can express their opinions openly without worry of retaliation. The water cooler is also an avenue wherein leaders can share information. This provides employees with an opportunity to become aligned with the organizations' priorities and direction. Bordia et al. (2004) stated that effective communication reduces employee resistance to change. A particular method of communication that intensely affects employees' response is their participation in the decision-making process. The key attributes of involving employees in the decision-making process include open communication, sharing of new ideas and visions, clear direction, mutual respect, and trust. Employees positively associate their participation in the process to their perception of fairness.

2. Effective Communication and Training

All executives and midlevel managers must undergo comprehensive employee communication training stressing such subjects as how to build trust, defining relationships, how to influence others, what makes communication effective, and the power of inquiry. This needs to be a prerequisite for entering a management position and

will lead to more effective executives and midlevel managers. Richards (2018) explained that in order to prepare employees to deal with change efforts, organizations must analyze and make available the tools and training necessary to facilitate the development of new skills. M. Crowley (2011) stated, “If we want our employees to executed their jobs with tremendous confidence, we need to teach people so thoroughly that they learn the fundamentals by heart” (p. 105). In building competency, employees become more confident to not just perform their jobs but also to embrace the change.

3. Employee Training and Tools

IOU leaders can better engage with employees and implement an organizational change effort more effectively by investing time and resources in the training of managers and supervisors in change management practices. This training must include attending change management conferences and/or creating an internal company training program led by an expert in the field. Mock exercises need to be developed that enable managers and supervisors to rehearse new skills.

4. Leaders and IOU Preparedness

Managers and executives together with those directly affected by the change initiative must develop a comprehensive change plan. Through a collaborative approach, employees become engaged and able to contribute in the development of the plan. Group planning meetings involving managers, executives, and frontline employees are organized. Open communication among all participants are encouraged. Those affected by the change initiative have first-hand information regarding various external forces that may directly impact the outcome of the change plan. The process of collaborative planning allows for better collaboration, employee involvement, and organizational wide

preparedness. Turner (2017) found that a well-informed, prepared, and actively involved midlevel manager is critical to the success of any organizational change initiative.

5. Accountability for Success

Organizations should develop change success metrics for both processes and employee acceptance/resistance perspectives. This could be achieved through holding employee surveys, focus groups, and employee feedback or discussions. Information gathered from these tools will enable executives and midlevel managers to assess areas requiring enhancement. This could include heightening the change communication effort due to the need to disseminate more information, addressing employees' training needs, and improving the change process. Measuring success or failure allows organizations to bolster weak spots and emphasize successes. This type of information can accelerate problem solving and determine employees' readiness to change. Stagl (2016) succinctly defined change readiness as the state where all obstacles to change have been eliminated and the organization is now ready to implement the change effort.

6. Solution Focus Organization

Leaders and managers of IOUs must create a Solution Enterprise Team. The main purpose of this team is to identify challenges related to employee change resistance and to work with employees, managers, and executives in the development of solutions. They will be the custodians of change management lessons learned which can be applied to situations that tend to repeat themselves. While problems evolve and new solutions become necessary, such a repertoire will be a good starting point in the treatment of novel issues. A repository of past triumphs and failures may avoid a repetition of the latter.

7. Collaborative Leadership

IOU leaders and managers must develop a change process that invites collaboration. The collaborative process will be employed on the shop floor and online. The process calls for a weekly on-ground touch base among executives and midlevel managers. Meeting participants will take turns in organizing and leading the change initiative planning and implementation process discussion. A project manager is assigned to coordinate meeting agendas, notes, and next steps. An online collaboration tool must be established. There are several online collaboration tools such as Yammer, Slack, Trello, Asana, Concept Board, Red Booth, and more. These tools allow leaders to work together on the change projects anytime and anywhere. Establishing a collaboration process forces participants to communicate. It eliminates silos, builds trust, captures the cumulative wisdom of executives and midlevel managers, aligns leaders' vision, and solves problems. Through this effort executives and midlevel managers are able to deliver to employees consistent information, building confidence, creating a shared sense of urgency, and reducing resistance.

8. Create a Culture of Shared Vision

Executives must create a culture driven by a shared vision among the midlevel managers and frontline employees to ensure that change efforts are embraced throughout the organization. Executives must implement a transparent and open line of communication through skip level, monthly one-on-one, all hands, and meet-the-executive types of meetings. Executives must walk the shop floor frequently and have candid conversations with managers and frontline employees. Through these efforts, executives will be able to communicate clearly their vision and strategy. Metha (2014)

explained that leaders must convey a clear strategy to manage the changes, understanding, and managing resistance. Leadership and the role it plays is the key to success in reducing resistance to change. Kouzes and Posner (2006) explained that alignment of values between the leader and employee is vital. An employee will have difficulty following his or her leader if they do not share the same values, vision, and passions. The divide can raise questions about the leader's credibility. Instead, some view shared vision and values as an opportunity to grow and develop new skills. This is a chance to find ways to work with those who have differing points of view.

Recommendations for Further Research

Further studies to define strategies, practices, supports, and barriers in the creation of employee acceptance and reasons for resistance to organizational change should be considered.

1. Conduct a qualitative study that examines frontline employees affected by change in IOUs. This will present a different perspective.
2. Conduct a qualitative study to determine if gender and age affect executives and midlevel managers of IOUs' perceptions on managing organizational change initiatives.
3. Conduct a mixed-method study to understand the composition, characteristics, tenure, and other factors affecting California IOUs' leadership on managing organizational change initiatives.
4. Replicate this study within publicly owned utilities (POUs) in California.
5. Conduct a qualitative study using a different change model or framework such as Prosci, ADKAR model or Lean Six Sigma to compare/validate results.

6. Conduct a quantitative study using methods such as surveys, correlational research, and causal-comparative research on the effectiveness of organizational change initiatives in utilities, large and small.
7. Conduct a mixed-methods study to determine if generation, experience, and roles affect acceptance or resistance-to-change efforts.
8. Conduct similar studies in other fields, that is, advertising, entertainment, marketing, education, regulatory, and law enforcement.
9. Replicate this study of IOUs in other States.

Concluding Remarks and Reflections

Organizational leadership and peoples' attitude toward change fascinates me. For the past 34 years, I have worked for various companies. I have witnessed trivial to significant organizational changes affecting not just myself but those around me. I have observed authoritative executives who used power to get their way versus engaging employees to collaborate. I have worked for a CEO who made decisions without consulting employees, later blaming them for negative outcomes. I have seen employees resist change in many ways, vocally complaining, leaving the company, passively resisting, and banding together thinking that would provide a louder voice. While I could go on, the bottom line is leading people is difficult. Asking others to change is challenging and frustrating.

I began this study after reflecting on my own past and current experiences. Those experiences inspired me to explore how leaders create acceptance and support for change. What I take from it is, the solution lies in "communication." While I expected something highly scientific, the answer to the problem was having a clear dialogue and addressing

the most important question, “What’s in it for me?” The solution sounds simple, but this study has revealed that it is not. There are many facets of communication that require expertise. For instance, it is vital that leaders communicate clearly and honestly. The message must resonate and address employee concerns. It should not further confuse or discourage. The importance of gathering feedback from those affected by change and addressing those concerns in a timely manner is of utmost importance. I understand the challenges leaders of IOUs face or will be dealing with in the future. The complexities of dealing with personalities are perhaps the most difficult task put upon those in leadership positions. It is, however, one that must be handled with aplomb. Employee expectations cannot always align with those of their leaders and resistance will always present itself. While there are effective strategies, supports, and practices identified in this study, barriers may differ in the future.

In order for organizations to succeed in this century, leaders must have a strong commitment not just to the organization but also to those they lead. They must become transformational leaders constantly assessing employee’s motivation and needs, while treating them with respect, “what people feel in their hearts has tremendous influence over their motivation and performance in the workplace. The human heart is the driving force of human achievement” (M. Crowley, 2011, p. 41). It is important for leaders to become conscious change leaders, always looking closely into the inner dynamics of organizational culture and individual mindsets.

The utility industry is constantly evolving, brought about by new technology and regulations. According to Trabish (2017), big IOUs in California are losing their market share to existing retail industry access programs, city and county community-choice

aggregators, rooftop solar, and other distributed energy resources (CPUC, 2018). Trabish stated, “This is a looming market disruption of unprecedented proportion” (para. 6). The California utility industry is facing unprecedented change as a result of new legislation, (CPUC, 2017b). There is also a new breed of employee entering the workplace impacting the way business is conducted. Legislation is constantly being introduced to address environmental issues. It is vital for leaders of this industry to continue developing and customizing strategies, supports, and practices based upon the type of change and complexity of resistance within their organization. In so doing, utility leaders in California will be able to gain a better understanding of strategies and practices allowing them to make adjustments in their current leadership style and change management procedures that will render more successful change efforts, allowing the organization to minimize employee resistance and gain support, sustain change activities, avoid significant financial loss, and increase the success of their organizational change efforts. On the other hand, organizations that are unable to adapt to the ever-evolving environment will not survive (Gray & Wilkinson, 2016). “Without question, change becomes the life organ of every vital organization” (Imran et al., 2016, p. 3).

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APPENDICES

APPENDIX A

Synthesis Matrices

Table A1

Exploring the Perceptions of Leaders in Investor-Owned Utilities in California on Managing Organizational Change Initiatives

Theme	Sources
California is America's Energy Leader	Nikolewski (2016) Suh (2017)
California Investor-Owned Utilities	Peevey (2010) Afzal (2016) Bigliani, Eastman, Segalotto, Feblowitz, and Galloti (2015) Carson (2018) Garza, 2011
Change	Thompson1(991) Troesken (2006) Alexander (2018) Bateh, Castaneda, and Farah (2013) Berg (2016) Bigliani, Eastman, Segalotto, Feblowitz, and Galloti (2015) Bradutanu (2012) Brookings (2014) Cohen (1999) Dentinger and Derlyn (2009) Dvir, Eden, Avolio, and Shamir (2002) Durant (1999) Imran, Rehman, Aslam, and Bilal (2016) Lee (2016) McKeown (2018) Porras and Silvers (1991) Richards (2018) Salvaterra (2016) Utterback (2009) Vaill (1991) Vey, Meyer, Zipp, and Schneider (2016)

Table A1 (*continued*)

Theme	Sources
Change Drivers	Anderson and Anderson (2010) Drucker (1999) Durant (1999) Florida (2005) Ford and Gioia (2000) Friedman, 2005 Gray and Wilkinson (2016) Howkins (2001) Johansson (2004) Kuhn (1970) Mehta (2014)
Change Management	Basu (2018) Moran and Brightman (2001)
Communication	Bel, Smirnov, and Waid (2006) Cushman and King (1995) Kamarudin, Starr, Abdullah, and Husain (2014) Richardson & Denton (1996)
Continuous Improvement	Cohen (1999) Taylor (2018)
Difference in Style Between Leaders and Managers	Bel, Smirnov, and Wait (2017) Deshler (2016) Kotterman (2006) Kurzawska (2017) Philips (2009) Rosen (2017) Qader (2015)
Employees Reaction to Change	Anderson (2018) Bovey and Hede (2001) Oreg and Berson (2011) Wittig (2012) Kotter and Schlesinger (1989)
Gap in the Research	Loo, Lee, and Low (2017) Mehta (2014) Jumbe and Proches (2016) Tabassi, Roufechaei, Bakar, and Yusof (2017)
Innovation and Failure	Deign (2018)
Midlevel Managers Involvement	Gilbert (2009) Kubler-Ross and Kessler, Day and Leggat (2015) Turner (2017)

Table A1 (*continued*)

Theme	Sources
Organizational Change	Aliyu, Solomon, Isaac, and Bridget (2017) Anderson and Anderson (2010) Bartunek and Moch (1987) Bridges (2004) Burke (2011) Dentinger and Derlyn (2009) Durant (1999) Erwin and Garman (2010) Entin, Diedrich, Kleinman, Kemple, Hocevar, Rubineau, and Serfaty (2003) Gilley, Gilley, and McMillan (2009) Gray and Wilkinson (2006) Hammer and Champy (1993) Heifetz & Linsky (2002) Hodges and Gill (2015) Jarrett (2009) Jumbe & Proches (2016) Kotter (2007) Meliorate (2013) Ready (2013) Richards (2018)
Organizational Readiness	Weick and Quinn (1999) Armenakis and Harris (2002) Armenakis, Harris and Field (1999) Combe (2014) Jarrett (2009) Northouse (2016) Roth (2015) Schafer (2010) Stagl (2016) Weeks (2004) Weick and Quinn (1999) Weiner (2009)
Organizational Change Failure	Aliyu, Solomon, Isaac, and Bridget (2017) Beer (2000) Cook (2014) Elrod and Tippet (2002) Gilley and McMillan (2009) Langlely, Smallman, Tsoukas, and Van de Ven, (2013) Kotter (1995) Kotter (2012) Newman (2010) Pettigrew (2001) Roth (2015) Shore, 2018 Keller and Price (2011)

Table A1 (*continued*)

Theme	Sources
Resistance to Change	Adenle (2011) Bartunek (1993) Basu (2018) Bovey & Hede (2001) Bradutanu (2012) Burke (2016) Coch & French (1948) Chawla and Kelloway (2004) Creasey (2018) Crowley (2017) Eilam and Shamir (2005) Giangreeco and Peccei (2005) Healthfield (2018) Hertzog (2010) Hiatt (2012) Hodges and Gill (2015) König and Köstner (2014) Kotter (2012) Kotter and Schlesinger (2008) Piderit (2000) Markovic (2008) Smith (2014) Stickland (1988) Strebel (1996) Sydow (2013) Watson (1982)
Resistance-to-Change Model	Kotter and Schlesinger (1989) Kotter and Schlesinger (2008)
Resistance Versus Readiness	Armenakis (1993) Baker (1995) Bovey and Hede (2001) Beer (2009) Eden (1986) Erwin and Garman (2010) Lines (2005) Oreg (2006) Piderit (2000) Roth (2015)

Table A1 (*continued*)

Theme	Sources
Role of Leadership	Arif, Zahid, Kashif, and Sindhu (2016) Bel, R., Smirnov, V., & Waid, A. (2006) Cook (2014) Dvir, Eden, Avolio, and Shamir (2002) Garcia (2016) Gilley and McMillan (2009) Hart, Pounds, LaShell, and Graham (2009) Higgs and Rowland (2000) House (1995) Kets de Vries (1995) Kolzow (2014) Koppula (2008) Kouzes and Posner (1993) Liborius (2017) Mehta (2014) Oreg and Berson (2012) Tanner (2014) Yukl (2006)
Successful Change	Bass (1996) Bordia, Hobmann, Jones, Gallois, & Callan, (2004) Conner (1999) Finkelstein and Hanbrick (1996) Higgs (2003) Higgs and Rowland (2001) Kotter (1996) Mehta (2014)
Sustainable Change	Vakola, Tsaousi, and Nikoloau (2004) Buchanan, Fitzgerald, Ketley, Gallop, Jones, Lamont, and Whitby (2005) Dobosz & Jankowicz, 2006 Hodges and Gill (2015) Mehta (2014) Piderit (2000) Thomas and Hardy (2011) Van, Oreg, and Schyns (2008)
Utility Industry Facing Major Changes	Cohen (1999) Kightlinger (2018) Salvaterra (2016) Jumbe and Proches (2016)

Table A2

Parental Involvement and the Strategies Needed for Parents to Become Successful During Transition Planning

Factors Contributing to Resistance in Organizational Change

Authors/Sources	Resistance-to-Change model	Other factors affecting resistance
	Parochial self-interest Misunderstanding of the Change Effort Change Does Not Make Sense Low Tolerance for Change Change is Evolving/Unable to Cope Set in their ways and find it difficult to change Risks out weigh the benefits	
Adenle (2011)		
Aliyu (2017)		
Anderson and Anderson (2010)		
Basu (2018)		
Buchanan (2005)		
Burke (2016)		
Crowley (2017)		
Eilam and Shamir (2005)		
Erwin and Garman (2010)		
Garcia (2016)		
Gray and Wilkinson, 2016		
Healthfiled (2018)		
Hertzog (2010)		
Hiatt (2012)		
Hodges and Hill (2015)		
Kotter (2012)		

Authors/Sources	Resistance-to-Change model	Other factors affecting resistance
	Parochial self-interest Misunderstanding of the Change Effort Change Does Not Make Sense Low Tolerance for Change Change is Evolving/Unable to Cope Set in their ways and find it difficult to change Risks out weigh the benefits	
Kotter and Schlesinger (1989)		
Lee (2006)		
Mehta (2014)		
Oreg (2006)		
Piderit (2000)		
Shore (2018)		
Strebel (1996)		
Stickland (1988)		
Smith (2014)		
Tollshero (n.d.)		
Torben (2013)		

APPENDIX B

Invitation Letter to Participate



Dear Mr./Ms. XXXX

I am a doctoral student at Brandman University. To fulfill the degree of Doctor of Education in Organizational Leadership I am conducting in-depth interviews as part of my dissertation, *“Exploring the perceptions of leaders in Investor-Owned Utilities in California on Managing Organizational Change Initiatives.”* The purpose of this qualitative study is to identify the strategies and practices executives and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change. A further purpose is to identify the supports and barriers executive leaders and mid-level managers perceive as affecting employee acceptance or resistance to organizational change in investor-owned utilities. As a [state position], you are an ideal participant who can provide valuable information on the strategies and practices [leaders or mid-level manager] in creating employee acceptance and support of organizational change.

The interview will take approximately 30 to 45 minutes and is very informal. Audio and video recording devices will be used. These recordings will only be reviewed by the researcher. Your responses to the questions will be kept confidential. Each interview will be assigned a number code to help ensure that your personal identifiers are not revealed at the time of analysis and write up of findings. Only the members of my dissertation committee and I will have access to the records of information obtained from the interviews. If the study design or the use of data were to change, you will be informed and consent will be obtained.

There is no compensation for participating in the study and you may withdraw at any time without any negative consequences. However, your participation is a valuable addition to the research and findings that could lead to a greater understanding of similar situations within this or other industries. For questions, comments, or concerns about the study or informed consent process, you may write or call the Office of the Vice Chancellor Academic Affairs, Brandman University, 16355 Laguna Canyon Road, Irvine, CA 92618 Telephone (949)341-7641. I acknowledge that I have received a copy of this form and the Research participant’s Bill of Rights.

If you are willing to participate please let me know your availability. I will be calling your office to confirm a date/time of the interview.

Thank you.

Liza Legaspi, Brandman University Ed.D Doctoral Candidate

APPENDIX C

Interview Guide

1. Please describe the change effort implemented by your organization in which you were involved.

Sub-questions:

- Please explain your involvement in the change effort.
- Describe your experience in the implementation of that change effort.

2. How did your employees react to the change effort that was implemented by your organization?

Sub-questions:

- Please describe your employees understanding of the change effort that was implemented by your organization.
- Was your perception of the change effort different from your employees' understanding of the change effort?

3. Please describe the strategies or overall plan used in the implementation of change efforts in which you were involved.

Sub-questions:

- How did your employees react to the strategies or overall plan used in the implementation of the change effort?
- How effective or ineffective were the strategies or overall plan used in the implementation of the change effort?

4. Please describe the practices or methods used in the implementation of the change effort.

Sub-questions:

- How did your employees react to these practices or methods?
- Describe how effective or ineffective the practices or methods were during the implementation of the change effort?

5. Please describe how the change effort was communicated to employees.

Sub-question:

- Explain how prepared were employees to the change effort after it was communicated?

6. What assistance or support did you and the organization provide to employees in the implementation of change efforts?

Sub-question:

- How did employees react to the assistance or support provided?

7. Please describe any barriers that affected the implementation of the organizational change effort in your organization.

8. How did these barriers affect employees' acceptance or resistance to the organizational change effort?

9. How did employees accept or reject the change effort?

Sub-question:

- How did employees demonstrate their acceptance or resistance?

10. Please describe employees understanding of the need for change in your organization.

11. Were there differences or similarities among the employees understanding of the need for change within the organization?

12. Please explain how information regarding the change effort was disseminated to employees.

Sub-question:

- How did you know if employees understood the information provided?

13. Please describe how prepared employees were for the implementation of the change effort.

14. How did employees cope with the change?

15. If you were to design and implement a change effort today, what would you do differently? Please explain.

Sub-question:

- Do you have any additional comments to offer regarding organizational change in your organization?

APPENDIX D

Alignment of Research Questions, Interview Questions, and Supporting Literature

Section I: Context Questions: Organizational Change Background		
Context	Interview Questions	Supporting Literature
<p>Leaders and mid-level managers experience and understanding of organizational change</p>	<p><i>I.</i> Please describe the change effort implemented by your organization in which you were involved.</p> <p><i>Sub-questions:</i></p> <p>Please explain your involvement in the change effort.</p> <p>Describe your experience in the implementation of that change effort.</p>	<ul style="list-style-type: none"> • To effectively lead others, leadership must understand the types of change they plan to implement (Forbes, 2012). • Organizational change can be distinguished by various characteristics involving the extent of change in terms of depth and continuity; episodic or continuous (Roth 2015). • “Mistaking change for progress is similar to the common problem of mistaking activity for productivity. Every organization can be improved, no matter how well it is performing, but a manager should always ask the question, ‘How is this proposed change going to improve my organizations’ ability to achieve our key goals?’” (Taylor, 2018, p. 1). • “Kotter (2007) explains change as the creation of a new system in regard to the process involved, which is also a statement focusing on the system. Another explanation states that change management is the process of continually renewing an organizations’ direction,

structure, and capabilities to serve the ever changing needs of external and internal customers' (Moran & Brightman, 2001 p.66).

- "...employees to learn new skills, explore new opportunities and exercise their creativity in ways that ultimately benefit the organization through new ideas and increased commitment" (Richards, 2018, p. 1).
- Furthermore, Richards pointed out that in order to prepare employees to deal with change efforts, organizations must analyze and make available the tools and training necessary to facilitate the development of new skills (Richards, 2018).
- The more control an employee has, the better their approach to change, uncertainty, and the challenges they face (Lee, 2016).
- Consequently, employees who experienced significant changes are more likely to be more flexible than those who have not (Lee, 2016).
- Research conducted by Bradutanu suggested officers and management are adaptable and supportive of change efforts. They understand and provide assistance in the change process (Bradutanu, 2012).
- On the other hand, an editorial by Wittig discussed the three factors

that influence employee reaction to change. These are employees' emotions and cognitions, communication, and employee participation in the decision making process.

- Yukl (2006) defined leadership as “the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives” (Yukl, 2006, p. 21).

- Literature (Conner, 1999; Higgs, 2003; Higgs & Rowland, 2001; Kotter, 1996) indicates the role of leaders in the implementation of change efforts significantly affects success.

Employees reaction to and understanding of the change effort

2. How did your employees react to the change effort that was implemented by your organization?

Sub-questions:

Please describe your employees understanding of the change effort that was implemented by your organization.

Was your perception of the change effort different from your employees' understanding of the change effort?

Kotter and Schlesinger Resistance-to-change model:

- Managers or those implementing the change effort and employees have a different point of view of the situation. Employees may perceive the change effort as something that would cause him or her problems rather than benefits, thereby resulting in resistance (Kotter & Schlesinger, 2008).

Section II: Research and Interview Questions Alignment

Research Questions	Interview Questions	Supporting Literature
<p>What strategies do executive leaders and mid-level managers of investor owned utilities perceive are effective in creating employee acceptance and support of organizational change?</p>	<p>3. Please describe the strategies or overall plan used in the implementation of change efforts in which you were involved.</p> <p><i>Sub-questions:</i></p> <p>How did your employees react to the strategies or overall plan used in the implementation of the change effort?</p> <p>How effective or ineffective were the strategies or overall plan used in the implementation of the change effort?</p>	<ul style="list-style-type: none"> • It is, therefore, vital to understand how leaders practice leadership and the impact they have on their employees and the organization (Mehta, 2014). • A leader inspires employees by clearly communicating his or her vision (Mehta, 2014). Employees are able to identify goals and determine opportunities to achieve those goals through the leader's power of persuasion. An effective leader also creates a climate which enables and entuses employees to achieve the organizations objectives by ensuring resources are available and by maintaining open communication (Mehta, 2014). • In addition, Finkelstein & Hanbrick, (1996) found that the choices and problem solving approach of leaders are influenced by their beliefs and mind-sets. Furthermore, a research by Bass (1996) demonstrated a link between the behavior of the leader and supporters.
<p>What practices do executive leaders and mid-level managers of investor owned utilities perceive are effective in creating</p>	<p>4. Please describe the practices or methods used in the implementation of the change effort.</p>	<ul style="list-style-type: none"> • Several studies examined various ways to achieve an effective communications process (Richardson & Denton, 1996; Kamarudin,

employee acceptance and support of organizational change.

Sub-questions:

How did your employees react to these practices or methods?

Describe how effective or ineffective the practices or methods were during the implementation of the change effort?

5. Please describe how the change effort was communicated to employees.

Sub-question:

Explain how prepared were employees to the change effort after it was communicated?

Starr, Abdullah, & Husain, 2014; Cushman & King, 1995). This includes but is not limited to the role the Chief Executive Officer (CEO) plays in communicating change efforts. Experts found CEOs must function as open communication champions (Richardson & Denton, 1996; Kamarudin, Starr, Abdullah, & Husain, 2014; Cushman & King, 1995).

- Additionally, there must be consistency between what management preaches and their actions. All members of the organization must commit to two-way communication. Bell, Smirnov, and Waid recommended face-to-face interaction. In addition, responsibility is shared for employee input, good news or bad, and must travel up the chain of command encouraging, interest, contributions, and the concerns of stakeholders.

- Higgs and Rowland (2000) identified five leadership skills associated with the implementation of successful change efforts.

- Kolzow defines leadership as the ability to influence individuals and organizations through a shared vision and the successful managing of change efforts aimed toward the realization of the organizations success (Kolzow, 2014).

- A study by Koppula suggests that because leaders have direct contact with employees, they influence them to stay engaged and motivated (Koppula, 2008).

- A leader inspires employees by clearly communicating his or her vision (Mehta, 2014).

- An effective leader also creates a climate which enables and enthuses employees to achieve the organizations objectives by ensuring resources are available and by maintaining open communication (Mehta, 2014).

- An open communication strategy is encouraged. These methods to achieve effective communication can result in a positive relationship between the frequency of communication in the organization and the implementation of a significant change effort (Bel, Smirnov, & Waid, 2006).

Crowley explains his theory on why employees resist change. He states that it boils down to communication. “The purpose and nature of the change needs to be clear, and openly discussed” he explains. “Without this dialogue, there will likely be an element of perceived unfairness, as well as a

What **supports** do executive leaders and mid-level managers of investor owned utilities perceive affect employee acceptance or resistance to organizational change in investor-owned utilities.

6. What assistance or support did you and the organization provide to employees in the implementation of change efforts?

Sub-question:

How did employees react to the assistance or support provided?

degree of anxiety due to uncertainty or ambiguity” (Crowley, 2017).

- Healthfield (2018) described why employees oppose change. Employees resist the change effort when it is presented to them poorly, when they feel that their work is affected, and when they don't agree that change must occur.

- There is also resistance to change when employees are not involved in the decision-making process. Employees that are more involved in the change effort are less likely to resist it (Healthfield, 2018). This also ties in to Kotter's Eight-Stage Process of Change in relation to sense of urgency. Kotter explained that a sense of urgency must be established in order to gain cooperation, "...transformations usually go nowhere because few people are interested in working on the change problem. With low urgency and awareness of the change effort, it is difficult to put together a group with enough power and credibility to guide the effort or to convince key individuals to spend the time necessary to create and communicate a change vision" (Kotter, 2012, p. 35).

What **barriers** do executive leaders and mid-level

7. Please describe any barriers that affected the

- Crowley also stated that employee fear of the

managers of investor owned utilities perceive as affecting employee acceptance or resistance to organizational change in investor-owned utilities.

implementation of the organizational change effort in your organization.

8. How did these barriers affect employees' acceptance or resistance to the organizational change effort?

unknown is a contributing factor to resistance to change. Employees' lack of understanding on how the change effort will benefit them leads them to think that the effort will impact them negatively. Lack of transitional support is also a factor. By enabling employees to see all the benefits the change effort will bring, leaders and managers can sway them to embrace the effort. Employees, when presented with change, think they are losing something. This leads to grieving about how things have been resulting in. Crowley listed other reasons employees resist change; employees feel challenged, replaced as the experts, pressured to change, they were not consulted or involved and change affects employees unfairly (Crowley, 2017).

Section III: Theoretical Framework: Kotter and Schlesinger Resistance-to-change model

Reasons Employees Resist Change	Interview Questions	Supporting Literature
<p>Preservation of self or parochial self-interest</p>	<p>9. How did employees accept or reject the change effort?</p> <p><i>Sub-question:</i></p> <p>How did employees demonstrate their acceptance or resistance?</p>	<p>The authors explained that one of the main reasons employees resist change is because they put themselves first over the organization. They believe that they are losing something valuable during a change effort. They are focused on the preservation of self or parochial self-interest. This type of resistance can sometimes result in politics.</p>

Different Assessment of the Situation	<p>10. Please describe employees understanding of the need for change in your organization.</p> <p>11. Were there differences or similarities among the employees understanding of the need for change within the organization?</p>	<p>For example, establishing a new position that will eliminate an existing responsibility of an employee can be seen as a threat creating the fear that he or she is dispensable. The fear employees' feel can drive them to politically sabotage the establishment of the new position by soliciting others to join their cause or by simply undermining the effort (Kotter & Schlesinger, 2008).</p> <p>Different assessment of the situation is another common reason employees resist change efforts. Managers or those implementing the change effort and employees have a different point of view of the situation. Employees may perceive the change effort as something that would cause him or her problems rather than benefits, thereby resulting in resistance (Kotter & Schlesinger, 2008).</p>
Misinformation and Misunderstanding	<p>12. Please explain how information regarding the change effort was disseminated to employees.</p> <p><i>Sub-question:</i></p> <p>How did you know if employees understood the information provided?</p>	<p>Misunderstanding and lack of trust are reasons for resistance based on Kotter and Schlesinger's model. This materializes as a result of incomplete information or knowledge about the change effort. In addition, inaccurate information can also lead to resistance. Employees' inability to understand the consequences can lead them to assume that the change</p>

effort might be detrimental to them. This type of situation often occurs due to lack or absence of trust between the person prompting the change effort and the employees (Kotter & Schlesinger, 2008).

Low Tolerance for Change

13. Please describe how prepared employees were for the implementation of the change effort.

14. How did employees cope with the change?

Low tolerance for change may also drive employees to obstruct the effort as explained by Kotter and Schlesinger. Employees resist change because they may be under the impression that they do not possess the necessary skills and behaviors to handle the change. They fear they will not be able to cope and develop new capabilities. The authors highlighted that people are confined in their ability to change. Some can cope better than others. Organizational change unconsciously demands employees' to change considerably in a short period of time. "Working in a certain way for years means security and stability. Employees find it hard to exchange this for the unknown" (Tollshero, n.d., p. 1).

Section IV: Additional Comments

Interview Questions

15. If you were to design and implement a change effort today, what would you do differently? Please

explain.

Sub-question:

Do you have any additional
comments to offer
regarding organizational
change in your
organization?

From The Synthesis Matrix (Appendix A).

APPENDIX E

Field-Test E-mail Instructions

The purpose of the field test is to determine the appropriateness of the interview questions and how the questions are asked in relation to the research study. Please evaluate the following questions and provide the completed form via email to mlegaspi@mail.brandman.edu.

1. Please describe the change effort implemented by your organization in which you were involved.

Sub-questions:

- Please explain your involvement in the change effort.
- Describe your experience in the implementation of that change effort.

a. Unclear and not appropriate
[provide suggestions]

b. Somewhat clear and
somewhat appropriate
[provide suggestions]

c. Clear and appropriate

Suggestions: _____

2. How did your employees react to the change effort that was implemented by your organization?

Sub-questions:

- Please describe your employees understanding of the change effort that was implemented by your organization.
- Was your perception of the change effort different from your employees' understanding of the change effort?

a. Unclear and not appropriate
[provide suggestions]

b. Somewhat clear and
somewhat appropriate
[provide suggestions]

c. Clear and appropriate

Suggestions: _____

3. Please describe the strategies or overall plan used in the implementation of change efforts in which you were involved.

Sub-questions:

- How did your employees react to the strategies or overall plan used in the implementation of the change effort?
- How effective or ineffective were the strategies or overall plan used in the implementation of the change effort?

- | | | |
|---|---|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|---|--------------------------|

Suggestions: _____

4. Please describe the practices or methods used in the implementation of the change effort.

Sub-questions:

- How did your employees react to these practices or methods?
- Describe how effective or ineffective the practices or methods were during the implementation of the change effort?

- | | | |
|---|---|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|---|--------------------------|

Suggestions: _____

5. Please describe how the change effort was communicated to employees.

Sub-question:

- Explain how prepared were employees to the change effort after it was communicated?

- | | | |
|---|---|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|---|--------------------------|

Suggestions: _____

6. What assistance or support did you and the organization provide to employees in the implementation of change efforts?

Sub-question:

- How did employees react to the assistance or support provided?

- | | | |
|---|---|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|---|--------------------------|

Suggestions: _____

7. Please describe any barriers that affected the implementation of the organizational change effort in your organization.

- a. Unclear and not appropriate [provide suggestions] b. Somewhat clear and somewhat appropriate [provide suggestions] c. Clear and appropriate

Suggestions: _____

8. How did these barriers affect employees' acceptance or resistance to the organizational change effort?

- a. Unclear and not appropriate [provide suggestions] b. Somewhat clear and somewhat appropriate [provide suggestions] c. Clear and appropriate

Suggestions: _____

9. How did employees accept or reject the change effort?

Sub-question:

- How did employees demonstrate their acceptance or resistance?

- a. Unclear and not appropriate [provide suggestions] b. Somewhat clear and somewhat appropriate [provide suggestions] c. Clear and appropriate

Suggestions: _____

10. Please describe employees understanding of the need for change in your organization.

- a. Unclear and not appropriate [provide suggestions] b. Somewhat clear and somewhat appropriate [provide suggestions] c. Clear and appropriate

Suggestions: _____

11. Were there differences or similarities among the employees understanding of the need for change within the organization?

- a. Unclear and not appropriate [provide suggestions] b. Somewhat clear and somewhat appropriate [provide suggestions] c. Clear and appropriate

Suggestions: _____

12. Please explain how information regarding the change effort was disseminated to employees.

Sub-question:

- How did you know if employees understood the information provided?

- | | | |
|---|--|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and
somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|--|--------------------------|

Suggestions: _____

13. Please describe how prepared employees were for the implementation of the change effort.

- | | | |
|---|--|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and
somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|--|--------------------------|

Suggestions: _____

14. How did employees cope with the change?

- | | | |
|---|--|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and
somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|--|--------------------------|

Suggestions: _____

15. If you were to design and implement a change effort today, what would you do differently?
Please explain.

Sub-question:

Do you have any additional comments to offer regarding organizational change in your organization?

- | | | |
|---|--|--------------------------|
| a. Unclear and not appropriate
[provide suggestions] | b. Somewhat clear and
somewhat appropriate
[provide suggestions] | c. Clear and appropriate |
|---|--|--------------------------|

Suggestions: _____

APPENDIX F

Certificate of Training



APPENDIX G

Participant's Bill of Rights



BRANDMAN UNIVERSITY INSTITUTIONAL REVIEW BOARD

Research Participant's Bill of Rights

Any person who is requested to consent to participate as a subject in an experiment, or who is requested to consent on behalf of another, has the following rights:

1. To be told what the study is attempting to discover.
2. To be told what will happen in the study and whether any of the procedures, drugs or devices are different from what would be used in standard practice.
3. To be told about the risks, side effects or discomforts of the things that may happen to him/her.
4. To be told if he/she can expect any benefit from participating and, if so, what the benefits might be.
5. To be told what other choices he/she has and how they may be better or worse than being in the study.
6. To be allowed to ask any questions concerning the study both before agreeing to be involved and during the course of the study.
7. To be told what sort of medical treatment is available if any complications arise.
8. To refuse to participate at all before or after the study is started without any adverse effects.
9. To receive a copy of the signed and dated consent form.
10. To be free of pressures when considering whether he/she wishes to agree to be in the study.

If at any time you have questions regarding a research study, you should ask the researchers to answer them. You also may contact the Brandman University Institutional Review Board, which is concerned with the protection of volunteers in research projects. The Brandman University Institutional Review Board may be contacted either by telephoning the Office of Academic Affairs at (949) 341-9937 or by writing to the Vice Chancellor of Academic Affairs, Brandman University, 16355 Laguna Canyon Road, Irvine, CA, 92618.

APPENDIX H

Informed Consent Form

INFORMATION ABOUT: Exploring the perceptions of leaders in Investor-Owned Utilities in California on Managing Organizational Change Initiatives. A qualitative study through in-depth interviews identifying the strategies and practices executive leaders and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change.

RESPONSIBLE INVESTIGATOR: Maria Liza Legaspi

PURPOSE OF STUDY: You are being asked to participate in a research study conducted by Maria Liza Legaspi, a student working toward a Doctor of Education in Organizational Leadership at Brandman University. The purpose of this qualitative study is to identify the strategies and practices executives and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change. A further purpose is to identify the supports and barriers executive leaders and mid-level managers perceive as affecting employee acceptance of or resistance to organizational change in investor-owned utilities.

By participating in this study I agree to participate in an in-depth interview. The interview will last approximately 30 – 45 minutes and will be conducted by (*in person, phone, electronically using Webex*). In addition, participants may complete a Demographic Questionnaire prior to the interview. The questionnaire will take approximately 10-15 minutes to complete. Completion of the (*in-depth interview and/or demographic questionnaire*) will take place December 2018 through January 2019.

I understand that:

a) There are minimal risks associated with participating in this research. I understand that the Investigator will protect my identity by keeping my information confidential. By means of keeping the identifying codes and research materials in a locked file drawer that is available only to the researcher.

b) I understand that the interview will be audio/video recorded. The recordings will be available only to the researcher and the professional transcriptionist. The recordings will be used to capture the interview dialogue and to ensure the accuracy of the information collected during the interview. All information will be identifier-redacted and my confidentiality will be maintained. Upon completion of the study all recordings, transcripts and notes taken by the researcher and transcripts from the interview will be destroyed.

c) The possible benefit of this study to me is that my input may help add to the research in identifying effective strategies and practices in creating employee acceptance and support of organizational change in investor-owned utilities or other industries. The findings will be available to me at the conclusion of the study and will provide new insights about effectively managing organizational change in which I participated. I understand that I will not be compensated for my participation.

d) If you have any questions or concerns about the research, please feel free to contact Maria Liza Legaspi at Mlegaspi@mail.brandman.edu or by phone at (310) 408-1063; or Dr. Patrick Ainsworth (Advisor) at PAinswor@brandman.edu.

e) My participation in this research study is voluntary. I may decide to not participate in the study and I can withdraw at any time. I can also decide not to answer particular

questions during the interview if I so choose. I understand that I may refuse to participate or may withdraw from this study at any time without any negative consequences. Also, the Investigator may stop the study at any time.

f) No information that identifies me will be released without my separate consent and that all identifiable information will be protected to the limits allowed by law. If the study design or the use of the data is to be changed, I will be so informed and my consent re-obtained. I understand that if I have any questions, comments, or concerns about the study or the informed consent process, I may write or call the Office of the Vice Chancellor of Academic Affairs, Brandman University, at 16355 Laguna Canyon Road, Irvine, CA 92618, (949) 341-9937.

I acknowledge that I have received a copy of this form and the “Research Participant’s Bill of Rights.” I have read the above and understand it and hereby consent to the procedure(s) set forth.

Signature of Participant or Responsible Party

Signature of Principal Investigator

Date

ELECTRONIC INFORMED CONSENT

INFORMATION ABOUT: Exploring the perceptions of leaders in Investor-Owned Utilities in California on Managing Organizational Change Initiatives. A qualitative study through in-depth interviews identifying the strategies and practices executive leaders and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change.

RESPONSIBLE INVESTIGATOR: Maria Liza Legaspi

THE FOLLOWING WILL BE INCLUDED IN THE INTERVIEW:

You are being asked to participate in a research study conducted by Maria Liza Legaspi, a student working toward a Doctor of Education in Organizational Leadership at Brandman University. The purpose of this qualitative study is to identify the strategies and practices executives and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change. A further purpose is to identify the supports and barriers executive leaders and mid-level managers perceive as affecting employee acceptance of or resistance to organizational change in investor-owned utilities.

Your participation in this interview is voluntary. If you decide to participate in this study, you may withdraw at any time. The interview will take approximately 30-45 minutes to complete. Your responses will be confidential. The interview questions will pertain to your perceptions regarding the strategies and practices executive leaders and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change.

Each participant will be identified by a three digit code. The researcher will keep these codes confidential in a locked file drawer to which the researcher will have sole access. The results of this study will be used for scholarly purposes only.

No information that identifies participants will be released without separate consent and all identifiable information will be protected to legal the limits. If the study design or the

use of the data is to be changed, I will be so informed and my consent re-obtained. There are minimal risks associated with participating in this research. I understand the investigator will protect my confidentiality by keeping the identifying codes and research materials in a locked file drawer that is available only to the researcher. I understand that I may refuse to participate in or I may withdraw from this study at any time without any negative consequences. Also, the investigator may stop the study at any time. I understand that if I have any questions, comments, or concerns about the study or the informed consent process, I may write or call the Office of the Vice Chancellor of Academic Affairs, Brandman University, at 16355 Laguna Canyon Road, Irvine, CA 92618, (949) 341-9937.

If you have any questions or concerns about the research, please feel free to contact Maria Liza Legaspi at Mlegaspi@mail.brandman.edu or by phone at (310) 408-1063; or Dr. Patrick Ainsworth (Advisor) at PAinswor@brandman.edu.

ELECTRONIC CONSENT: Please select your choice below.

Clicking on the “agree” button indicates that you have read the informed consent form and the information in this document and that you voluntarily agree to participate.

If you do not wish to participate in this electronic survey, you may decline participation by clicking on the “disagree” button. The survey will not open for responses unless you agree to participate.

___ AGREE: I acknowledge receipt of the complete Informed Consent packet and “Bill of Rights.” I have read the materials and give my consent to participate in the study.

___ DISAGREE: I do not wish to participate in this electronic survey

APPENDIX I

Demographic Questions

Directions: Please complete the questions below. Information gathered will be used to provide context to the research findings that emerge from the interviews. The questionnaire will take approximately 10-15 minutes to complete. For privacy concerns, your identity will remain confidential. Although you have signed the consent form to participate in this study, you may choose to withdraw your consent at any time. If at any time you do not understand the questions being asked please ask for an explanation.

1. Name of your current employer?
2. How long have you been with this company?
3. What is your highest degree of education?
4. What is your current position/title in the company and how long have you been in this role?
5. Please list out the type of organizational change efforts you experienced?
6. How many people are you managing now and how many people were you managing when you were involved in an organizational change effort?

APPENDIX J

Interview Script

Thank you for participating in this in-depth interview! With your help, I hope to gain a deeper understanding of investor-owned utilities implementation of organizational change efforts. Please note that there may be additional follow-up questions for clarify.

Interview script

Interviewer: Maria Liza Legaspi

Interview time planned: Approximately 30-45 minutes

Interview place: Venue of Choice

Recording: Digital voice and video recorder

Written: Field and Observational Notes

Opening comments: Based on the communication you received you understand that this research is to identify the strategies and practices executives and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change. In addition to this, you also understand that the study is also intended to identify the supports and barriers executive leaders and mid-level managers perceive as affecting employee acceptance or resistance to organizational change in investor-owned utilities.

Interview questions will primarily focus on the type of change implemented, the implementation plan, the effects of the change effort to you and your employees, the strategies and practices involved in the implementation, how the change effort was received by employees, etc. Information gathered from the in-depth interview will be used in my dissertation. For privacy concerns, your identity will remain confidential. Although you have signed the consent form to participate in this study, you may choose to withdraw your consent at any time. If at any time you do not understand the questions being asked please ask for an explanation. Do you have any concerns or questions before we begin?

See interview questions in Appendix F.

Closing comments: Thank you for participating in this study. Before we conclude are there any additional comments or thoughts you would like to add to this discussion?

APPENDIX K

TITLE OF THE STUDY: Exploring the perceptions of leaders in Investor-Owned Utilities in California on Managing Organizational Change Initiatives.

PURPOSE OF THE STUDY: The purpose of this qualitative study was to identify the strategies and practices executives and mid-level managers of investor-owned utilities perceive are effective in creating employee acceptance and support of organizational change. A further purpose was to identify the supports and barriers executive leaders and mid-level managers perceive as affecting employee acceptance or resistance to organizational change in investor-owned utilities.

LENGTH OF INTERVIEW: 30-45 minutes

Questions asked: open-ended. Please elaborate and explain.

Number of questions: 15 questions

For privacy concerns, your identity will remain confidential. Although you have signed the consent form to participate in this study, you may choose to withdraw your consent at any time. If at any time you do not understand the questions being asked please ask for an explanation.

Interviewer: Maria Liza Legaspi

Contact Information: (310) 408-1063 or mlegaspi@mail.brandman.edu

Definition of Terms

Organizational Change:

Literature defines organizational change as the process companies go through to re-engineer their approach, modify their structure, staffing levels, and cultural climate (Gray & Wilkinson, 2016).

Examples of organizational change: A modification that caused restructuring in the company, an adjustment in the organization that resulted in new strategic direction, a necessary change to cope with legislation/regulatory conditions, an alteration in business approach.

Resistance to Change:

Resistance to change is the act of opposing or struggling with modifications or transformations that alter the status quo in the workplace” (Healthfield, 2018, p. 1).

Strategies:

Latham (2017) defines strategy as a framework established to guide decision makers in their quest to achieve corporate goals. In this study, strategy is the structure used by executives and mid-level managers to create acceptance and support of change. It is the overall plan in the implementation of a change effort.

Practices:

The methods used by executives and mid-level managers to create employee acceptance and support of organizational change (Forbes, 2016). These are the steps to implement change efforts.

Supports

Supports come in the form of assistance provided by executive leaders and mid-level managers in the implementation of a change effort (Heathfield, 2018)

Barriers

Barriers are defined as any obstacle (Merriam-Webster, 2018). In the present context barriers are any hindrance to “organizational change that make adapting difficult” (Walk-Me Team, 2017).

APPENDIX L

Interview Notes

	Questions	Answers	Observations
1	<p>Please describe the change effort implemented by your organization in which you were involved.</p> <p><i>Sub-questions:</i></p> <ul style="list-style-type: none">• Please explain your involvement in the change effort.• Describe your experience in the implementation of that change effort.		
2	<p>How did your employees react to the change effort that was implemented by your organization?</p> <p><i>Sub-questions:</i></p> <ul style="list-style-type: none">• Please describe your employees understanding of the change effort that was implemented by your organization.• Was your perception of the change effort different from your employees' understanding of the change effort?		
3	<p>Please describe the strategies or overall plan used in the implementation of change efforts in which you were involved.</p> <p><i>Sub-questions:</i></p> <ul style="list-style-type: none">• How did your employees react to the strategies or overall		

plan used in the implementation of the change effort?

- How effective or ineffective were the strategies or overall plan used in the implementation of the change effort?

- 4 Please describe the practices or methods used in the implementation of the change effort.

Sub-questions:

- How did your employees react to these practices or methods?
- Describe how effective or ineffective the practices or methods were during the implementation of the change effort?

- 5 Please describe how the change effort was communicated to employees.

Sub-question:

- Explain how prepared were employees to the change effort after it was communicated?

- 6 What assistance or support did you and the organization provide to employees in the implementation of change efforts?

Sub-question:

- How did employees react to the assistance or support provided?

- 7 Please describe any barriers that affected the implementation of the organizational change effort in your organization.
- 8 How did these barriers affect employees' acceptance or resistance to the organizational change effort?
- 9 How did employees accept or reject the change effort?
Sub-question:
 - How did employees demonstrate their acceptance or resistance?
- 10 Please describe employees understanding of the need for change in your organization.
- 11 Were there differences or similarities among the employees understanding of the need for change within the organization?
- 12 Please explain how information regarding the change effort was disseminated to employees.
Sub-question:
 - How did you know if employees understood the information provided?
- 13 Please describe how prepared employees were for the implementation of the change effort.
- 14 How did employees cope with the change?
- 15 If you were to design and implement a change effort today, what would you do differently? Please explain.
Sub-question:

- Do you have any additional comments to offer regarding organizational change in your organization?

APPENDIX M

Transcription/Coding Chart Template

Respondents #	Comments	Self- preservation	Too many change	Communicated effectively	Employee involvement	Clear vision
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APPENDIX N

Sample Visual Chart Template

Please describe the change effort implemented by your organization in which you were involved.

Sub-questions:

- Please explain your involvement in the change effort.
- Describe your experience in the implementation of that change effort.

Exemplary quotes:

Codes

Common Themes

How did your employees react to the change effort that was implemented by your organization?

Sub-questions:

- Please describe your employees understanding of the change effort that was implemented by your organization.
- Was your perception of the change effort different from your employees' understanding of the change effort?

Exemplary quotes:

Codes

Common Themes

Please describe the strategies or overall plan used in the implementation of change efforts in which you were involved.

Sub-questions:

- How did your employees react to the strategies or overall plan used in the implementation of the change effort?
- How effective or ineffective were the strategies or overall plan used in the implementation of the change effort?

Exemplary quotes:

Codes

Common Themes

Please describe the practices or methods used in the implementation of the change effort.

Sub-questions:

- How did your employees react to these practices or methods?
- Describe how effective or ineffective the practices or methods were during the implementation of the change effort?

Exemplary quotes:

Codes

Common Themes

APPENDIX O

Brandman University Institutional Review Board Application Approval

From: MyBrandman my@brandman.edu
Subject: BUIRB Application Approved As Submitted: Maria Liza Legaspi
Date: December 6, 2018 at 2:34 PM
To: mlegaspi Student mlegaspi@mail.brandman.edu
Cc: Ainsworth, Patrick painswor@brandman.edu, buirb buirb@brandman.edu, Devore, Douglas ddevore@brandman.edu, Smith Salazar, Vikki vsmithsa@brandman.edu



Dear Maria Liza Legaspi,

Congratulations, your IRB application to conduct research has been approved by the Brandman University Institutional Review Board. This approval grants permission for you to proceed with data collection for your research. Please keep this email for your records, as it will need to be included in your research appendix.

If any issues should arise that are pertinent to your IRB approval, please contact the IRB immediately at BUIRB@brandman.edu. If you need to modify your BUIRB application for any reason, please fill out the "Application Modification Form" before proceeding with your research. The Modification form can be found at the following link: <https://irb.brandman.edu/Applications/Modification.pdf>.

Best wishes for a successful completion of your study.

Thank you,

Doug DeVore, Ed.D.

Professor

Organizational Leadership

BUIRB Chair

ddevore@brandman.edu

www.brandman.edu