

Chapter-3

ORGANIZATION CULTURE AND CHANGE

Progress is impossible without change, and those who cannot change their minds cannot change anything.

— George Bernard Shaw

While it is true that organizational change cannot take place without bringing in changes in the work process and structure, it is of no less significance that all changes are possible and take place in the overall context of organization's culture. Changes made in the system or subsystem may not be effective until they are compatible with the culture of the organization, since cultural incongruence will defeat the very purpose of any planned change. While, it is easier to tune small and incremental changes into the overall culture of the organization, radical or transformational changes require the organization to assess its current culture to examine its relevance, compatibility and congruence with the proposed changes in the organization. In the current times radical changes like mergers, acquisitions, downsizing and restructuring have become a worldwide trend as business strategies to enhance innovation and growth. However, such changes can cause havoc and make the organizations vulnerable if changes are not managed in accordance with the culture of the organization.

The aim of the chapter is to understand what organization culture is and how it emerges and the role played by leaders in formulation of the organization culture. The specific objectives of this chapter include understanding the impact of organization culture in managing change, the need to change organization culture and the process of changing culture. The organization structure also affects managing change and it is imperative to comprehend the role played by it in effective change management. In addition, issues like resistance to change, methods to overcome resistance, stress faced by employees during organization change process and employee satisfaction during the change programme, have also been discussed.

3.1 What is Organizational Culture?

The current interest in organizational culture stems from the 1970s work on 'organizational climate' which aimed to identify the organizational 'qualities' in the form of attitudes and beliefs that employees hold about their organization (Wiley & Brooks, 2000). The initial research on culture was generally focused on developing dimensions of culture or on empirically describing the culture of various organizational settings with respect to some dimensions. Culture involves beliefs and behavior, existing at various levels, and manifests itself in a wide range of processes and practices of organizational life (Hofstede et al., 1990). Organizational culture refers to a set of shared values, beliefs, assumptions, and practices that shape and guide members' attitudes and behavior in the organization (Daft, 1998; Davis, 1984; Kotter and Heskett, 1992; Trice & Beyer, 1993; O'Reilly and Chatman, 1996).

Schein (1992) defined organization culture as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that had worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to these problems. Culture is a real part of an organization which individuals can see and feel when they enter an organization, that is, culture tends to be very "visible and feel-able," (Schein, 2004). Barney (1996) further added that the culture of an organization elucidates the way in which an organization conducts its business and could be a source of sustained competitive advantage if it is valuable and rare. In the same vein, Peters and Waterman (1981) emphasized that a strong and a well-developed culture could be a distinguishing characteristic of a highly successful organization. The culture facilitates in setting the attitudinal and behavioral norms for the whole organization which provides a sense of direction for the employees of the organization.

McShane & Glinow (2002) described organization culture as a 'social glue' that bonds people together to build cohesive relationships and involves them emotionally that helps in building readiness of the people to exert extraordinary effort to achieve organizational goals. However, Kotter and Heskett (1992) opined that strong cultures which

are not compatible with practices that attempt to satisfy the needs of the market can be a liability. Martins and Martins (2003) further added that strong organization cultures could thus, become a liability for reasons like: barrier to change, barrier to diversity, barrier to acquisitions and mergers.

Therefore, organizations strive to develop strong cultures in their effort to be competitive in today's dynamic environment; however, the same strong culture can be a liability when the culture becomes a barrier to change. The leaders of the organization have a very significant role to play to achieve a balance between having a strong culture and at the same time being adaptable and agile.

3.2 Leadership and Organization Culture

Research has provided answers to questions like how culture is formed and what is the role of leadership in forming the culture of an organization? However, it is imperative to understand the influence of culture on leadership behavior. Bass and Avolio (1993) stated that there is constant interplay between leaders and organization culture. The culture of the organizations at times guides the leadership behaviors and at other times the leaders realign the organization's culture with the new vision by challenging the shared values and assumptions. The founders of an organization and its senior managers are responsible for creating the culture of an organization which is eventually adopted by the employees (Avolio & Bass, 1994). However, one of the most daunting tasks that can be faced by a leader is the challenge of managing organizational culture (Schulz, 2001), especially in environments which are highly volatile, uncertain, complex and ambiguous. However, all effective leaders must not only function within the particular culture of their organization but also monitor its effect on the behavior of individuals within the organization, and further using their influence to ensure that the culture is shaped in such a manner so that it remains compatible with the organizational objectives.

3.3 The role of culture in the Management of change

Indian economy, post 1991, embarked on its journey of growth and development from the state control to liberalization with strong regulatory regimes, which called for change in values of the organization over a period of time. The uncaging of Indian tiger required experience with freedom and competition calling for infusing the spirit of competitiveness away from protective regimes. These trends in liberalization, privatization and globalization provided some immediate imperatives for cultural change. Previously not many organizations were concerned about the needs of their customers because there were very few options available to them. Since there was very little or no competition, not much priority was given to quality, price, delivery, responsiveness, etc. In the present business scenario, due to high competition, being customer focused and quality conscious is not a matter of choice but has become a necessity for survival. An organization culture that values quality, customer focus and responsiveness can help organizations in improving customer satisfaction and retention. Organizational culture has today emerged as a crucial aspect in determining the success of efforts to implement organizational change (Bate et al., 2000; Curry, 1992; Hercleuous, 2001; Wilkins & Dyer, 1988). In fact, culture change can assist in making a less effective organization more effective.

The contributions of organizational psychologist, Udai Pareek also throws light on organizational culture. He was concerned with the issues of societal-culture and its linkages with organizational behavior. According to Pareek and Rao (1988), "In the Indian context, organizations should make sure that such positive qualities of Indian cultures as concern for others, tendency to harmonize and synthesize various points of view, positive regard for different points of view and general respect for knowledge and expertise are properly used while designing systems. Indian culture propagates a spirit of collaboration instead of promoting individual competitive spirit in the organization".

The management of change is a strategic issue and requires thorough analysis and planning at all managerial levels for successful implementation. The role of culture in driving change within the organization cannot be undermined. When organizations bring about changes in their strategies it is important to assess the corresponding organizational culture and bring about changes in conflicting values and beliefs otherwise the strategies are likely to

fail (Struwig & Smith, 2002). According to Schein (1990) many organizational change initiatives fail because the organizations ignore the restraining forces in the culture of the organization. Brown and Harvey (2006) also emphasized that it is difficult to bring about change and resistance can be expected whenever a change involves significant impact on the conventional behavior, power, culture and structure within an organization. They further stated that higher resistance to change by the people can be expected when the scope, degree and pace of change is large and the organization culture is strong. Hence, effective leaders must not only appreciate their corporate climate, but must also be able to harness the processes of cultural change so as to successfully drive their strategic initiatives (Zeffane, 1996). The change leaders must realize that it is generally the organization, and the culture that it nurtures, which is the most compelling obstacle to transformation. It is important for a leader to understand the environment in order to overcome the negative beliefs and assumptions that exist within an organization and transform the old attitudes of the people and the organization. This would harness the abilities of the employees into new values and beliefs to build a new culture. The emphasis is thus, to diagnose how the current culture enables or hinders the company in achieving its business goals. Once the business goals are articulated, it then becomes important to understand the type of culture and organization environment needed to promote the business strategy. According to Kotter and Heskett (1992) the distinguishing factor between successful and unsuccessful organizational culture changes is competent leadership at the top.

The issue of culture is crucial to the leadership for any successful transformation of an organization, and therefore transformational leaders change their culture by first making sure that they understand it and then by realigning the organization's culture with a new vision and a revision of its shared assumptions, values, and norms (Avolio & Bass, 1994). Schraeder, et.al. (2005) stated that "Increased knowledge about organizational culture can provide leaders with special insights regarding the fundamental characteristics of an organization that will, in turn, help in managing or changing the culture". Leaders, thus, need to be aware about the conservative factors reflected in beliefs, values, assumptions, rites, and ceremonies embedded in the culture that can hinder efforts to change the organization. Further, they must appreciate that their actions are both the triggers for changing the culture of an organization and potent carriers of cultural meaning (Schraeder et al., 2005).

3.4 Process of Organizational Culture Change

In any organizational culture change effort, the leaders of the organization play a very crucial role. The leaders unfreeze the present situation by highlighting the threatening issues and thereby provide a compelling reason for the change (Miller, 1998; Schein, 2004). It is essential for the leaders to articulate the necessary changes in an organization's culture by communicating as well as being a role model for the new behaviors. These new behaviors then need to be rewarded by the leaders and adherence to old behaviors needs to be penalized. An organization that wants to involve its employees to the fullest may highlight its 'participative' style of leadership. Desired role models of leadership begin at the top and are encouraged at each successive level below. The behavior of top-level leaders becomes a beginning of change from old culture to the new culture (Avolio & Bass, 1994).

As the external environment changes, it forces the organization to question its deeply rooted assumptions and values which become a barrier to the change process. Consequently, it is imperative upon the leaders in the organization to view the development of assumptions and values as an evolutionary process — a process that periodically challenges the organization to question its assumptions, and to change them if the conditions warrant such change (Avolio & Bass, 1994). Culture change process might be initiated by the change leaders but for it to sustain, it needs to be internalized by individual employees.

There are many frameworks for changing an organization's culture in the literature (Alvesson, 1989; Brown, 1998; Miller, 1998; Schein, 1990; Schraeder et al., 2005). Pareek (2004) suggested a four-fold SPST (structure-process-strategy-tactic) model of cultural change in organizations. He was of the opinion that cultural change must be built into the system so that the new culture becomes a part of the organization. The four-fold model requires paying close attention to the processes underlying the structural elements and simultaneously requires a broad but clearly thought out action (strategy) and also to break up the strategy into specific action steps (tactics). This model can help in management of cultural change. Alvesson (1989), Brown (1998) and Schraeder et al. (2005) listed various questions for assessing the organizational culture which are the important levers available to leaders while seeking change to organizational culture. They are as follows:

- What leaders regularly pay attention to, measure and control in the work environment;
- How a leader reacts to crises and critical incidents within the organization;
- The observed criteria by which leaders choose to allocate resources;
- Role modeling, teaching and coaching engaged in, by the leader;
- How leaders choose to allocate rewards and status in the work environment;
- How leaders recruit, select, promote, retire, and communicate with organizational members.
- What should the organizational culture look like to support the strategy?
- What plan of action should be followed to close the gaps between the current culture and culture needed?

Organization culture is like the personality of an organization and it is complex, enduring, comprehensive system of assumptions and basic values that distinguishes one organization from another. The more deep-rooted and complex these values are, the less willingness there is to change them. Cultural issues need to be addressed if the vision of a leader differs from the values and beliefs of the existing organizational culture (Schein, 1991; Trice and Beyer, 1991). If the organization culture fails to assimilate the consequences of the changed vision, desired change will never be accepted and will ultimately fail. This is the part of the process that is overlooked in major change efforts in organizations. According to Gagliardi (1986), changing organizational culture is difficult, since it develops over a period of time and gets embedded within the very structure, systems and processes in which it develops. Kotter and Heskett (1992) stated that cultural changes would follow once people understand the need to change and their behaviors have been successfully altered leading to better performance.

Tata Consultancy Services decided to willingly transform itself with a self-initiative to excel and lead in the year 2003. This initiative acted as the driver in the nearly year-old transformation exercise (Sengupta, et.al., 2006). TCS had achieved high level of growth in recent years in terms of employee strength, geographical spread and cultural diversity which made the exercise complex. TCS took the help of an external agent to act as a facilitator and change agent to bring a fresh perspective to the change programme. TCS addressed some key concerns: the urgency of the change (why change), the timing of the change initiative (why

now), the expected outcome (what it means and where it will take the company), and the significance (what it means to every employee). To create business value, the corporate transformation model of TCS included strategic planning, change management and alignment with various projects. To make this possible, an objective performance management system (PMS) and balanced scorecard system was put in place, which helped TCS in re-engineering some of the work processes. For example, the company adapted activity-based costing to look at costs that are deeper at the activity level, and to help benchmark and replicate the price estimation process better. TCS has also linked up with the Tata Management Training Centre (TMTTC) and other management institutes to chalk out a comprehensive Leadership Development Programme. Thus, in other words, to change the work culture, TCS looked at the whole exercise from an integrated approach involving changes in structure, systems, processes and people.

Sengupta, N., Bhattacharya, M.S. & Sengupta, R.N. (2006) stated that the common parameters for cultural change in Indian organizations are: Mission and vision; Involvement and commitment of people; Values; System; Structure; Corporate governance and Corporate social responsibility. The steps an Indian organization may follow for managing cultural change, as proposed by them are shown in Figure 3.1.

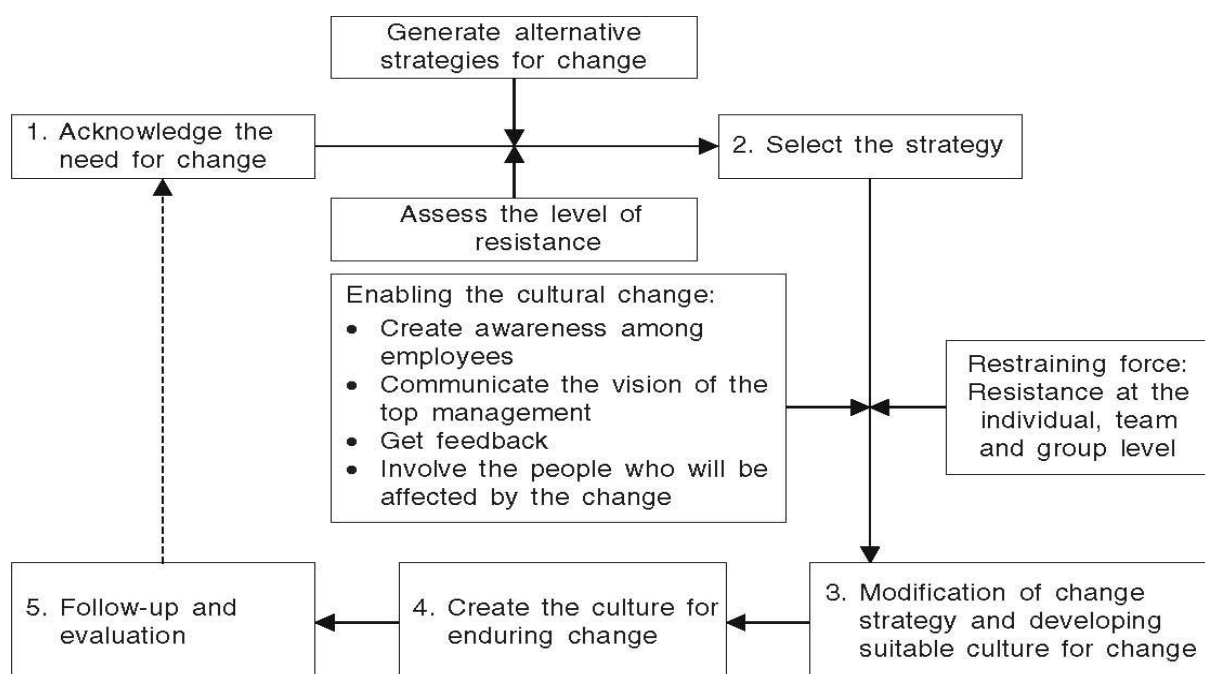


Figure 3.1: Steps for Indian Organizations for managing cultural change.

Source: Sengupta, N., Bhattacharya, M.S. & Sengupta, R.N. (2006) Managing Change in Organizations. Prentice Hall of India Private Limited.

From the above it is evident that although it may be difficult to change an organization's culture, however, effective leadership, communication, supportive workplace practices and building trust between employees and management can be some of the ways to reduce resistance to change. Also, organizational changes are highly intertwined and changes in one area are likely to require changes in other. According to Fritz (1994), "Structure is the most important and powerful influence within the organization. If we don't deal with structure, we won't be able to change the organization fundamentally. Therefore, the next section of the study attempts to understand the impact of organization structure on management of change.

3.5 Organization Structure and Change

The term organizational structure refers to the formal configuration between individuals and groups with respect to the allocation of tasks, responsibilities and authority within the organization (Sengupta et al., 2006). For an organization's structure to help in the achievement of business goals, it must support the business strategy, culture, systems and processes inside the organization and vice versa. Organizational structure affects the way in which people are organized and the way they carry out and coordinate their work, the nature of the relationships they develop and their feelings about these aspects. In an era of globalization, rapid technological changes and intense competition, new forms of organizational designs and networks have replaced traditional forms of organizational structure. Fritz (1994) opined that with an understanding of structural principles, organizations can be redesigned to ensure that they succeed. Child (1984) advocated a number of potential organizational outcomes that would arise from structural deficiencies such as slow and distorted communication, poor quality and delayed decision-making, ineffective coordination within groups or between functions, potential for conflict, and lack of adaptability to changing circumstances. These also affect the scope for and the nature of change in an organization.

A study conducted by Public Sector Commission, Western Australia (2012) on Structural change management proposed the following principles for managing successful structural change:

- There should be a clearly defined rationale and vision of the change.
- Stakeholders are identified, appropriately consulted and informed.
- The system and processes developed to achieve the change are transparent.
- Collective and collaborative leadership is empowered.
- There is a dedicated focus on people.
- The change is systematically reviewed and adapted.

Structural change can cause a high degree of turmoil in employees. If the people issues of change are not managed appropriately, morale may suffer and the overall change efforts diminish. People need to be informed of the need for change, the benefits, what the change process involves and what resources are available. It is important that throughout the whole change process there is a dedicated focus on people. This dedicated focus may include managing people issues and managing people whom have been individually affected by the change. It is critically important to treat all staff with respect, continually reaffirm their worth and take great care in providing appropriate support services for these employees.

State Bank of India, a public sector bank faced intense competition from private and foreign banks in the late 1990's. To improve process efficiency and enhance competitiveness in the market, SBI planned a major organizational restructuring exercise in 2003. The key aspects involved redesigning of branches, providing alternate channels; focus on right sizing and technological upgradation. A business process re-engineering (BPR) team was constituted in June 2003 with McKinsey & Company as consultants. The BPR's basic goal was to create an operating structure that would facilitate service delivery of international standards and to do away with redundant processes. This change enabled enhanced customer satisfaction and convenience, freeing up time for branch manager and branch staff to focus on sales and marketing, simplifying processes for employees, enhancing SBI's competitiveness in the market, increasing the profitability through higher market share and improved process efficiency.

Changes in organizational structure should be undertaken only when a sense of urgency is felt by the top management. Such changes not only have a significant connotation in terms of organizational costs but also result in alteration of the power base within the management structure. Many managers who have savored their power and authority in the

organization for some time, view structural changes as threats, and, therefore, are likely to oppose it. Such opposition does not originate from rational understanding of structural change, but is mainly due to psychological and personal assumptions/factors.

However, if the new structure is evolved through a process which communicates the sense of urgency for change to people at all levels and which is participative and consultative, it is likely to be more acceptable. Understanding the fears, insecurities and anxieties of the people and responding to them by appropriate management actions is extremely important in the formulation and implementation of changed structures. Still, if people are not willing to relinquish power as a part of the change initiative, it must be dealt with very firmly so that people down the line in the organization clearly understand that power plays which do not subserve the organizational good would not be acceptable.

3.6 Resistance to Change

Newstrom and Davis (1993) explained resistance to change as, “employees resisting change because it threatens their needs for security, social interaction, status or self esteem. Kreitner, Kinicki and Buelens (1999) defined resistance to change as, “...emotional or behavioral response to real or imagined work changes”.

The perceived threat stemming from change may be genuine or imagined, intended or unintended, large or small (Palmer, Dunford & Akin, 2009). Regardless of its nature, employees try to insulate themselves from the effects of change so as to remain in their zones of comfort. Individuals differ in their ability and willingness to adapt to organizational change (Darling, 1993). Fox (2006) suggested that older people tend to resist change more than younger people. This is because older people have generally invested more in the current system and, therefore, have more to sacrifice by adapting to change.

The failure of many large-scale corporate change programs can be traced directly to employee resistance (Spiker and Lesser, 1995; Martin, 1975). A longitudinal study conducted by Waldersee and Griffiths (1997) revealed that employee resistance was the most frequently cited implementation problem encountered by management when introducing change. These

findings suggest that employee resistance is a major challenge for change initiators and needs to be given adequate attention.

Senior (1997) stated the various reasons leading to individual resistance to organizational change are fear of the unknown, dislike of the uncertainty and ambiguity surrounding change, potential loss of power base, potential loss of rewards, perceived lack of skills for new situation, potential loss of current skills. Employee resistance cannot be taken lightly as change does not happen if employees don't want it to. Due to employee resistance, the performance dips during the early part of the change process as shown in the figure 3.2. Apart from individual resistance, Senior (1997) stated the various reasons for organizational resistance as, interlocking aspects of structures, control systems, rituals and routines, signs and symbols; forces of resistance being derived from group norms; potential loss of group power bases; entrenched interest of stakeholders; lack of company capability; lack of resources and threat to resource allocations.

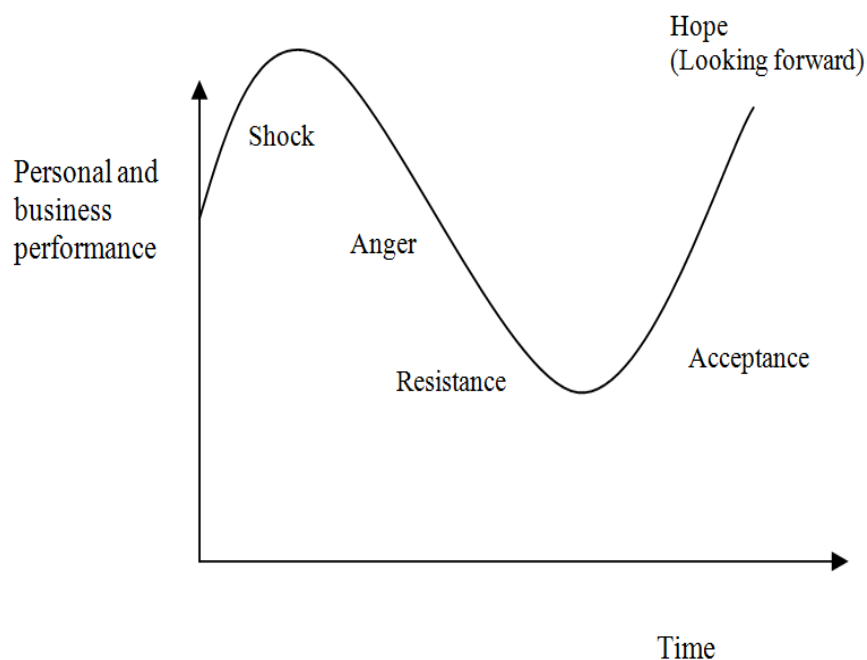


Figure 3.2 : The Change Curve

Source: Aitken,P. & Higgs,M. (2010), Developing Leaders, Elsevier Ltd, UK.

A study by Covin and Kilmann (1990) found eight factors having a significant impact on perceptions of negative influences on large-scale organizational change programs. They

were lack of management support, top managers using coercive methods, inconsistent actions by key managers, lack of meaningful participation, the purpose of the program being unclear, and having no accountability during change implementation. Additionally, Covin and Kilmann (1990) felt that unrealistically high expectations at the beginning of a change program could result in frustration of change leaders when change doesn't happen as anticipated.

Gill (2003) proposed the sources for resistance to change, namely, lack of knowledge with regard to the need and benefits of change. This lack of knowledge and conviction results in a lack of enthusiasm to change. Coch and French (1948) acknowledged aggression and frustration in employees as the emotional reasons that caused resistance to change.

Stoltz (1997) proposed three categories of peoples' reactions to change are: quitters who disagree with change; campers, who simply sit things out, and climbers, who actively seek change. The findings of his study illustrated that the majority of the employees fall into the 'campers' category, whereby the desire to remain status quo is initially prevalent.

Robbins (1998) suggested six tactics to overcome resistance to change. These are education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation: covert influence, explicit and implicit coercion. Linstead, Fulop and Lilley (2009) further stated that communicating the change often and consistently is important but not enough, as change needs to be supported with adequate resources, in order to make sure that the change is appropriate and sustainable.

Thus, the best approach for organizations is to acknowledge the fact that initially employees will be anxious about the change and thereafter, with the right type of information and motivation, they would accept change and embark on a constructive path which leads to success of the change programme.

3.7 Organization Change and Stress

There is a need for a greater focus on the 'human side' of change, as change is implemented and experienced by employees. The previous studies have found that employee

perceptions of the change process and their behavioral responses are critical drivers of change success (Armenakis et al., 1993). Empirical research has demonstrated that employee reactions to change and perceptions of the change process are critical drivers of change success (Armenakis, Harris, & Mossholder, 1993). A wide range of change attitudes have been examined as employee outcomes of organizational change (Armenakis et al., 1993). However, in this section one of the change attitude i.e. employee stress which results in decreased performance and increased resistance has been analyzed.

Robbins (2001) defined stress as, “a dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important”. Kreitner, Kinicki & Buelens (1999) defined stress as, “an adaptive response, mediated by individual characteristics and/or psychological processes, that is a consequence of any external action, situation or event that places special physical and/or psychological demands upon a person”. Although many definitions of stress have been proposed with different viewpoints, common dimensions that can be found in most definitions are: adaptive response, individual differences and environmental demands also called ‘stressors’.

Leaders today face an environment filled with an unprecedented level of active “stressors” including technological advancements, increased globalization, workforce mobility, economic shifts, increased competition, increase in overall pace, and increased diversity (Hamel, 1998). The environment of continuous change and persistent change management initiatives may increase employee stress and negatively impact job satisfaction. In many cases stress and other negative psychological reactions may lead to resistance or other “problematic” outcomes for the implementers of change (Lewis, 2000).

Although all organizational situations involving change cause increase in stress levels but the greatest toll in human health and productivity is taken by chronic stress caused by constant change in organizational environment over a prolonged period of time (Niehouse, O.L., Massoni K.B., 2001). According to Nahavandi and Malekzadeh (1999), transformational change, whether planned or not, causes stress reactions in employees since the change is of a dramatic and intense nature. Change in organization structure if not undertaken appropriately can also cause distress, trauma, catastrophe and abuse among staff within an organization (Raukko, 2009). Sutton and Kahn (1986) on the other hand stated that

the ability to predict and understand the specific outcomes of an organizational change can act as a buffer to the stress experienced as a result of the uncertainty inherent in the change process. This may allow employees to more easily adjust to change. Miller and Monge (1985) demonstrated that information was associated with lower levels of anxiety for employees about to experience a significant organizational change. Also a study conducted by Amundson et al. (2004) found that survivors of downsizing reported an increase in workload, which was found to be the main source of stress in employees. Organizational symptoms of stress include absenteeism, turnover, on-the-job accidents, low productivity, lower morale, interpersonal conflicts, errors in judgment, resistance to change and also increased likelihood of workplace violence. Research has rarely concentrated on how organizational changes affect employees, instead most of the research focuses on the organizational impact (Nelson & Cooper, 1995).

3.8 Leadership behavior and Employee Satisfaction in a Change Context

The leader's behavior towards employees in an organization has significant impact on employees' satisfaction. A number of studies have focused attention on the relationship between leader's behavior and job satisfaction, but the results have been mixed. Locke (2001) found significant correlation between leadership behavior and employee job satisfaction and stated that the leadership behaviors explained 29% of job satisfaction. In addition, Lucas (1991) found that leadership style perceptions predicted 36.6% of the variance in job satisfaction scores. Fleishman and Harris (1962), Stogdill (1963), Skinner (1969), House et al. (1971), Osborn and Hunt (1975) found a positive relationship between leadership behavior and job satisfaction. Holdnak et al. (1993) established two correlations: a positive relationship between consideration behavior and satisfaction and an inverse relationship between initiating structure and job satisfaction. Pool (1997) later confirmed findings of the study done by Holdnak et al. (1993) and added worker motivation as the most powerful predictor of job satisfaction. Others like Greene (1975), Hampton et al. (1986) found no relationship between the variables.

Further, there are limited numbers of studies carried out to understand the relationship between organization change and employee satisfaction. In the research that has been conducted into the linkage between change and job satisfaction, the results are mixed. Jimmieson et al. (2004) found that change often increases uncertainty which has a negative

effect on employee satisfaction. However, Douglas (1999) noted that the effect of organizational redesigns in response to changes in the environment does not have a clear impact on employee satisfaction. Nelson and Cooper (1995), in a study at a regional Water Authority in the United Kingdom, found that as uncertainty increases, job satisfaction declines. Wanberg and Banas (2000), in a study of members of a professional association of public housing officials, found that lower levels of change acceptance led to less job satisfaction. Brewer, McMahan-Landers (2003), in a study of industrial and technical teachers, found that stressor frequency had a greater impact on job satisfaction than the intensity of the stressors.

The literature review in this chapter addressed the key issues involved in a change process such as organization culture, organization structure, resistance to change, employee stress and employee satisfaction. It is evident that organization culture has a great influence and can be one of the main factors for successful change interventions. Leaders are not only responsible for executing change but also for developing an organization culture which would support the changing environment. The change initiators need to give considerable emphasis to people aspect of change management so as to reduce resistance to change, employee stress and improve employee satisfaction.