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Rua Silveira Peixoto, 306  
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Selection of ocean container carriers: One country's perspective

Peter Dzakah Fanam*, Hong-Oanh Nguyen and Stephen Cahoon

Department of Maritime and Logistics Management, Australian Maritime College, Maritime Way, Launceston, Australia.

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The objective of this study is to identify the most influential factors that affect choice of ocean container carrier by freight forwarders. It identifies the most influential factors considered by them when selecting ocean container carriers by analysing data collected from a survey of 105 freight forwarding organisations in Ghana. Exploratory factor analysis is used to identify the underlying factors which influence the selection of carrier. The findings of the study indicate that service quality, document accuracy, freight rates, environmental issues, schedule reliability and quick handling are the most influential factors that guide freight forwarders when purchasing liner shipping service. This study provides a better understanding of these influential factors from the perspective of the freight forwarders themselves. The findings are important to ocean container carriers since they can enable liner shipping companies to channel resources appropriately in response to factors which are identified as determining freight forwarder carrier selection.

Key word: Freight forwarders, ocean container carriers, carrier selection factors.

INTRODUCTION

Factors that affect the choice of ocean carriers are widely discussed in the literature (Brooks, 1983, 1990, 1995; Kannan et al., 2011; Lu, 2007). In recent times, the analysis of carrier selection factors has been mainly focused on the selection of carriers from the perspective of big shippers (Mohamaditabar and Teimoury, 2008; Setamanit and Pipatwattana, 2015). Shippers are considered the main decision makers for choice of carrier. In reality, it is the freight forwarders who are the true decision makers, because they are responsible for booking large blocks of containers space from ocean container carriers and for selling off container space in smaller quantities to shippers (Fransoo and Lee, 2013). Ocean container carriers are exploring this issue so as to identify all factors that influence their customers when purchasing their shipping services. Liner shipping is market driven, and the survival of ocean container carriers in this dynamic market depend on a carrier's ability to secure high container volumes on a day to day basis to fill ship holds on every single voyage (Fanam et al., 2015). Ocean container carriers are facing increasing challenges in recent times due to globalisation and the acceleration in ship technology as well as larger ship sizes and new demands from transport service buyers.

*Corresponding author. E-mail: Peter.fanam@utas.edu.au.

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In addition to that, mega ships (18,000TEU+) have been exerting even more pressure on ocean container carriers to attract enough container volume so that they can break even on each voyage. The high level of competition among ocean container carriers suggests that there is a need for a formulation of strategies by carriers to differentiate themselves from competitors in order to attract more container volume. This, for example, have lead to the formation of alliances, liner conferences and mergers and acquisitions between bigger and smaller players within the liner shipping sector (Higashida, 2015). Much research has been carried out on carrier selection, mode choice, port selection and port competitiveness from the viewpoint of shippers (Lam and Yap, 2011; Nir et al., 2003; Notteboom, 2006a; Tongzon and Sawant, 2007; Tovar et al., 2015). However, this paper aims to analyse the selection criteria of ocean container carriers from the perspective of freight forwarders themselves.

CARRIER SELECTION CRITERIA FROM ONE COUNTRY'S PERSPECTIVE

The maritime transport industry has undergone tremendous progress over the last two decades (Tang et al., 2011). This has resulted in greater attention being paid to identify every significant factor that influences the selection of ocean container carriers. The importance attached to each selection criteria seems to differ on a regional basis. For example, service quality and equipment availability tend to be more important to Asian companies than European or North American companies (Gailus and Jahn, 2013). The differing priorities on ocean container carrier selection according to geographical regional have been well discussed in the literature, as shown in Table 1. As shown in Table 1, carrier selection factors differ from region to region. The growing demand of e-business has caused Asian shippers to consider service related factors to be more important than others because goods need to reach their intended destination in real time. The most frequently cited factors prioritized by Asian shippers and freight forwarders are customer service, Bill of Lading accuracy, on-time pickup/delivery, customer loyalty and reliability of service. Early studies from North America considered cost as the most important because shippers were interested in reducing logistic operational costs (Brooks, 1985; Gibson et al., 2002; Murphy and Daley, 1995). However, recent studies from North America have discovered that service related factors (that is, transit time, quality service, on-time delivery performance) have become more important (Ben-Akiva et al., 2013; Maloni et al., 2013; Zsidisin et al., 2007).

Even within the same region, carrier selection factors have tended to differ based on the client segment in question. Some empirical analysis conducted by Wen and Huang (2007) pointed out that freight forwarders operating in Taiwan considered Bill of Lading accuracy, ability to trace shipments and pickup and delivery service to be the three most important factors to influence their choice of ocean container carrier. Chung et al. (2011) also investigated carrier selection factors important to Taiwanese freight forwarders and discovered that expertise in sales representatives and transportation reliability were the most important attributes valued by the freight forwarders. The study conducted by Shang and Lu (2012) evaluated factors that influenced freight forwarders carrier choice in Taiwan as well, and revealed that customer relationship management, that is, customer responses were the most important for them. Yang (2012) investigated the most critical selection factors in Taiwan and found that logistics service reliability capability was the most valuable capability to ocean freight forwarders there, followed by flexibility capability and logistic value-added service capability. Lin and Yeh (2013) also analyzed carrier selection attributes in the Taiwanese market and identified delivery cost and time as the most significant attributes to the customers in the optimal choice of carriers.

Freight charges, tracking and expediting shipments were identified as the most significant factors influencing freight forwarders in the North America market (Murphy and Daley, 1995). Some empirical analysis conducted by Brooks (1995) revealed that the freight rate, the problem-solving capability of a carrier, and the availability of equipment were the three most important factors affecting shipper choice of ocean container carriers there. Again, Kent and Parker (1999) found that freight rate was one of the most important factors affecting the selection of ocean carrier from the shipper perspective there. Freight rate was also identified by Kannan et al. (2011) as the most important factor in ocean container carrier selection from the shipper's perspective there. Additionally, statistical analysis conducted by Van den Berg and De Langen (2014) on how shippers and freight forwarders assessed liner shipping companies found that both of these customers were mainly cost driven. Premeaux (2010) identified that not just flexible rates but also the carrier's effective response to emergencies or unexpected situations as the most important factors influencing shipper selection of carriers in that region.

Other important factors identified in the literature are pickup/delivery reliability, door-to-door service, schedule reliability, quality service, operational efficiency handling equipment and transit time (Ben-Akiva et al., 2013; Fransoo and Lee, 2013; Frémont, 2009; Larson and Gammelgaard, 2001; Notteboom, 2006b; Yang et al., 2014; Yuen et al., 2015). Voss et al. (2006) analysed the significant factors that drove transport service buyers when selecting ocean carrier and found that delivery reliability, rates charged, and carrier reputation were the three most important factors taken into consideration by shippers. Additionally, Saldanha et al. (2009) identified
transit time and transit time reliability as the most critical factors which influenced the decision making of freight service buyers when selecting ocean container carrier. It is clear that a number of studies have been conducted on carrier selection from Asian, North American and European perspectives. However, little or no study has been carried out from the African perspective. Therefore, this paper will analyse factors which influence the choice of carrier from the perspective of Ghanaian freight forwarders. It will identify some of the most influential factors that affect carrier selection within the African geographical context. The main findings of this paper are based on a survey conducted among Ghanaian freight forwarders and are discussed subsequently.

**METHODOLOGY**

Here, the methods employed to develop the survey questionnaire and collection of data will be discussed. The survey instrument was

<table>
<thead>
<tr>
<th>Literature</th>
<th>Factors</th>
<th>Countries in covered in the study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lu (2007)</td>
<td>Operation capability, customer service</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Wen and Huang (2007)</td>
<td>B/L accuracy, ability to trace shipment and pick-up/delivery service</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Wong et al. (2008)</td>
<td>Customer service and cargo handling capabilities</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Hu and Jen (2010)</td>
<td>Service quality and customer loyalty</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Chung et al. (2011)</td>
<td>Sales representatives expertise and transportation reliability</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Shang and Lu (2012)</td>
<td>Customer response</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Yang (2012)</td>
<td>Logistics service reliability</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Lin and Yeh (2013)</td>
<td>Reliability, delivery cost and time</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Lirn and Wong (2013)</td>
<td>Total cost, cargo quality control, carrier service attributes</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Chu (2014)</td>
<td>Discount offering, low rate of damage and service consistent</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Wen and Lin (2015)</td>
<td>Service performance, reputation, freight charges and information tech.</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Banomyong and Supatn (2011)</td>
<td>Accuracy of documents, freight rates</td>
<td>Thailand</td>
</tr>
<tr>
<td>Setamanit and Pipatwattana (2015)</td>
<td>Reliability of service, quality of service, cost and after-sale service</td>
<td>Thailand</td>
</tr>
<tr>
<td>Abshire and Premeaux (1991)</td>
<td>Total transit time, carrier's leadership in offering more flexible rates</td>
<td>US</td>
</tr>
<tr>
<td>Lewis et al. (1993)</td>
<td>On-time pickups, on-time delivery, competitive rates</td>
<td>US</td>
</tr>
<tr>
<td>Brooks (1995)</td>
<td>Rate, problem-solving capability of carrier, availability of equipment</td>
<td>US/Canada and Europe</td>
</tr>
<tr>
<td>Murphy and Daley (1995)</td>
<td>Freight charges, tracking and expediting shipments</td>
<td>US</td>
</tr>
<tr>
<td>Crum and Allen (1997)</td>
<td>Transit time, pickup and delivery reliability</td>
<td>US</td>
</tr>
<tr>
<td>Gibson et al. (2002)</td>
<td>Cost, effectiveness, trust, flexibility</td>
<td>US</td>
</tr>
<tr>
<td>Premeaux (2010)</td>
<td>Flexible rates, response to emergency, IT</td>
<td>US</td>
</tr>
<tr>
<td>Ben-Akiva et al. (2013)</td>
<td>Quality service and total logistics costs</td>
<td>US</td>
</tr>
<tr>
<td>Maloni et al. (2013)</td>
<td>Transit time, CO$_2$ reduction operations</td>
<td>US/Asia</td>
</tr>
<tr>
<td>Galius and Jahn (2013)</td>
<td>Reliability, transit time</td>
<td>Germany</td>
</tr>
<tr>
<td>Kannan et al. (2011)</td>
<td>Low rate, pricing flexibility and flexibility</td>
<td>India</td>
</tr>
<tr>
<td>Van den Berg and de Langwn (2014)</td>
<td>Cost driven</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Lam and Zhang (2014)</td>
<td>Cost control, reliability and responsiveness</td>
<td>Singapore</td>
</tr>
<tr>
<td>Harrision and Fichtinger (2013)</td>
<td>Time, schedule, transit time and frequency</td>
<td>UK</td>
</tr>
</tbody>
</table>
designed based on a literature review of the field and on extensive discussions with freight forwarders and academics in the field. A thirty-nine item scale of importance was developed based on these discussions. Respondents were asked to indicate their levels of agreement between five scales of '1' strongly disagree, and '5' strongly agree.

The sample for this study was drawn from the member list of the Ghana Institute of Freight Forwarders Association in Ghana. There are 301 members in the association, with 250 companies possessing email addresses and telephone contact numbers. Therefore, to maximise the sample population, these 250 were targeted. Sample companies were cross-checked with the Ghana Shippers Authority and the Ghana Ports and Labour Authority to avoid duplicate mailings. A pre-notification email was sent to the targeted respondents a week in advance to introduce the topic to them, and this was followed by the questionnaire survey. There were 57 undeliverable responses received back upon sending out the questionnaire, reducing the effective sample size of this study to 193.

Table 2 summarises the characteristics of survey respondents. Categorised by job titles, respondents were made up of 40% directors / chief executive officers (CEOs), 38% managers, 1% sales executives, 13% supervisors, 3% administration staff and 5% others. In addition, 78% of the respondents were working at higher management levels in their organisations with six years or more of experience. The results also showed that a majority of the respondent organisations, that is, 86% were seasoned freight forwarding companies operating for more than six years. Nearly 60% had been in the freight forwarding business for more than ten years. With regards to the service capabilities of respondent organisations, 97% (92%) of the 105 respondents considered themselves to be engaged in import clearance, and the rest were as follows: 94 (89.5%), 72 (68.5%), 60 (57.1%), 29 (27.6%), 25 (23.8%) and 8 (7.6%) were in export clearance, warehousing, road haulage, vessel operation, inventory management and other services respectively. The demographics suggest that respondents were sufficiently experienced to be capable of answering the questions.

RESULTS

The results of the empirical analysis of the data collected from the freight forwarders are presented here.

Identification of influential carrier selection criteria

Freight forwarders were asked to rate the thirty-nine listed items to enable the researcher to evaluate the most influential factors that affect selection of ocean container carrier. A total of 112 responses were received and out of the 112 returned questionnaires, seven were incomplete with significant data missing, and hence these were not included in the data analysis. A total of 105 usable questionnaires were collected, representing 54.4% (105=193) of the valid sample size. A test of non-response bias was conducted to assess the extent of potential bias in the results, since the survey response was less than 100% (Armstrong and Overton, 1977; Lai and Cheng, 2004). The non-response bias was assessed by dividing the 105 responses into two groups, namely, early (n=455, 52.3%) and late (n=450, the remaining 47.7%) respondents. No significant differences were found, thus this study concluded that there was no evidence of non-response bias.

Responses were rated on a 5-point Likert scale, with the median showing that approximately 34% of the responses were at scale 5 indicating that they strongly agree, and the rest were on scale 4. All the mean values of responses were higher than the respective midpoint (3) of the Likert scale, which indicated that respondents were well aware of the key factors which influenced their selection of ocean container carriers. The standard deviation of items was within a range of between 0.74 and 1.28, which showed the parametric nature of the data set. The overall average of perspectives of respondents on factors influencing the choice of ocean container carriers was (3.86), indicating a high level of awareness among respondents.

Reliability tests on component scores were conducted using the Statistical Package for the Social Sciences (Version 22). Exploratory factor analysis (EFA) was applied using Direct Oblimin rotation. Factors were retained using an eigenvalue greater than one. The sampling adequacy test was conducted which included the test statistic of the Kaiser-Meyer-Olkin measure of sampling adequacy (0.878) and which was above the recommended cut-off value of 0.50 (Yong and Pearce, 2013). This indicated that the data of this paper met sampling adequacy. Similarly, Bartlett's Test of Sphericity Chi-Square for the sample was 3154.83, with statistical significance at 0.000<0.01 (Table 3).

In order to extract suitable factors that would give a clear interpretation of the results of EFA, this paper adhered to the following guidelines to include or exclude items from a factor. Items with loading > .5 were retained, and items with a cross loading difference between the two items loadings of > .3 were eliminated (Costello and Osborne, 2005). The result revealed six key factors that the freight forwarders employed when purchasing freight services from ocean container carriers.

The six key influential factors retained explained 71% of the cumulative variance. The first factor accounted for 41.9%, while the second, third, fourth, fifth and sixth factors accounted for 11.4, 5.8, 4.6, 4.0 and 3.7% respectively (Table 4). The Cronbach’s Alpha coefficient was used to test the reliability and the Cronbach’s Alpha coefficient values for each of the six influential factors regarding ocean container carrier selection were 0.741, 0.899, 0.746, 0.698, 0.680 and 0.791 respectively (Table 4). This indicated a relatively high level of variability among variables denoting that the identified variables were strongly measuring the same construct.

The six factors contained 16 items with factor loading of above 0.6. As indicated in Table 4, the first factor contained three items, namely; shipping line provision of emergency services (0.727), the professionalism of shipping line staff (0.715), and shipping line staff knowledge (0.602). All the items under this factor focused
Table 2. Characteristics of respondents

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Count</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total valid sample size</strong></td>
<td>105</td>
<td>100</td>
</tr>
<tr>
<td><strong>Number of years respondents organizations is operating in freight forwarding business</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>6-10 years</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>11-15 years</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>16-20 years</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>21-25 years</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>26-30 years</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>More than 30 years</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Number of employees working in the respondents organizations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 20 employees</td>
<td>41</td>
<td>39</td>
</tr>
<tr>
<td>21-40 employees</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>41-60 employees</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>61-80 employees</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>81-100 employees</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>101-120 employees</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>More than 121 employees</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td><strong>Type of business provided by the respondents organization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freight forwarding</td>
<td>96</td>
<td>91.40</td>
</tr>
<tr>
<td>Customs broker</td>
<td>56</td>
<td>53.30</td>
</tr>
<tr>
<td>Cargo consolidator</td>
<td>51</td>
<td>48.60</td>
</tr>
<tr>
<td>Shipping agency</td>
<td>28</td>
<td>26.70</td>
</tr>
<tr>
<td>Non vessel operating common carrier</td>
<td>19</td>
<td>18.10</td>
</tr>
<tr>
<td>Legal counselor</td>
<td>5</td>
<td>4.70</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>12.40</td>
</tr>
<tr>
<td><strong>Type of services provided by the respondents organization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Import clearance</td>
<td>97</td>
<td>92</td>
</tr>
<tr>
<td>Export clearance</td>
<td>94</td>
<td>89.50</td>
</tr>
<tr>
<td>Warehousing</td>
<td>72</td>
<td>68.50</td>
</tr>
<tr>
<td>Road haulage</td>
<td>60</td>
<td>57.10</td>
</tr>
<tr>
<td>Vessel operation</td>
<td>29</td>
<td>27.60</td>
</tr>
<tr>
<td>Inventory management</td>
<td>25</td>
<td>23.80</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>7.60</td>
</tr>
<tr>
<td><strong>Designation of survey respondents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director/CEO</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td>Manager</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>Sales/marketing executive</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Supervisor</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Administrator</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>The numbers of years’ working experiences that respondents have in the freight forwarding sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>6-10 years</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>11-15 years</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>16-20 years</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>21-25 years</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>26-30 years</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>More than 31 years</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
on the shipping line’s services. Hence, the factor was named ‘service quality’. The second factor included carriers using renewable energy (0.949), carrier’s commitment to reducing CO₂ emissions (.885) and environmentally friendly operations by the shipping line (0.810). This factor was named ‘environment issues’ because all the items under it focused on a greener environment. The third factor included items such as frequency of port calls (0.730), cargo tracking (0.681) and on-time invoicing by the shipping line (0.679). This factor was labelled ‘schedule reliability’ because all the items in it focused on the shipping company offering reliable scheduled service. The fourth factor comprised of two elements, the availability of door-to-door or multimodal transport services (0.838) and dedicated berth by the shipping line (0.727). The items under this factor pointed to the liner shipping company’s ability to handle cargo quickly without delay through the logistics chain. Consequently, the factor was named ‘quick handling’. The fifth factor contained item statements such as transparency of freight rates and charges (0.849) and simplicity of freight rates and their structure (0.686). This factor was labeled ‘freight rate’ because items in it focused on freight rate related issues. Finally, the sixth factor was named ‘document accuracy’ because it covered question statements such as the accuracy of shipping documents (0.917), the on-time quoting of rates and charges by the shipping line (0.698) and the shipping service’s reliability (0.662).

**DISCUSSION AND IMPLICATIONS**

Key factors that influence freight forwarders’ choice of ocean container carrier are of central importance when determining competitiveness of ocean container carriers (Wen and Lin, 2015). The results indicate that the service quality provided by liner shipping companies is important to freight forwarders, especially, the professionalism of the carrier’s staff as well as their knowledge about the kinds of services that they provide to them. Liner shipping companies need to invest more in their staff through training so as to enhance staff knowledge about all services being offered. This finding is consistent with a study by Salleh et al. (2014) which found that knowledge management capability of staff and the improvement of employee efficiency was key in providing a quality liner shipping service. Thus, it is important that ocean container carriers focus their resources on providing shipping service quality. A liner shipping company that intends to provide a quality shipping service to satisfy customers must improve the knowledge of its staff and also enhance the professionalism of staff regarding how they respond to freight forwarder emergency services.

Environmental issues are also critical to freight forwarders when selecting ocean container carriers. The debate over global warming and emission reduction in international shipping is an important topic dominating governments and international organisations (Luo, 2013), and freight forwarders are closely following this debate. Stakeholders within the maritime sector such as exporters/importers, governmental bodies and non-governmental organisations are concerned about the effect of shipping associated activities on the marine system (Wu and Dunn, 1995). The maritime sector, especially the liner sector is required to operate its ships in a more environmentally friendly manner due to increasing awareness and concern from stakeholders regarding global warming and climate change issues. As a result, freight forwarders are paying critical attention to how liner shipping companies respond to environmental issues with regards to reducing environmental pollution as well as their commitment to cut down CO₂ emissions.

The results of this paper suggest that freight forwarders are also paying a high degree of attention to schedule reliability when purchasing liner shipping services. Freight forwarders plan a cargo owner's supply chain with realistic expectations about delivery times, and therefore select a shipping line that has reliable schedule service to enable them to achieve these supply chain goals. Schedule reliability is therefore an important factor that freight forwarders consider when selecting an ocean carrier, since an unreliable schedule can have a knock-on effects on the container supply chain. This is consistent with similar findings reported in other studies (Chung aqnd Chiang, 2011; Lam and van de Voorde, 2011; Lun and Browne, 2009; Vernimmen et al., 2007; Zhang and Lam, 2014). The higher loading of ‘frequency of port calls’ within the schedule reliability factor indicated that freight forwarders depend on a carrier that calls ports frequently in order for them to achieve the expected delivery times. Liner shipping companies should therefore channel their resources into providing reliably scheduled services by making cargo tracking services accessible to freight forwarders, because ‘cargo tracking’ was similarly rated.

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**Table 3. KMO and Bartlett’s test (initial run).**

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin measure of sampling adequacy</th>
<th>Bartlett's test of sphericity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approx. Chi-square</td>
</tr>
<tr>
<td></td>
<td>0.878</td>
</tr>
</tbody>
</table>

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Table 4. Six Components rotated - pattern matrix*.

<table>
<thead>
<tr>
<th>Items</th>
<th>Service quality</th>
<th>Environment issues</th>
<th>Schedule reliability</th>
<th>Quick handling</th>
<th>Freight rate</th>
<th>Document accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s alpha</td>
<td>0.741</td>
<td>0.899</td>
<td>0.746</td>
<td>0.689</td>
<td>0.680</td>
<td>0.791</td>
</tr>
<tr>
<td>Percent of variance</td>
<td>41.90</td>
<td>11.40</td>
<td>5.80</td>
<td>4.60</td>
<td>4.00</td>
<td>3.70</td>
</tr>
<tr>
<td>Shipping line provision of emergency services</td>
<td>0.727</td>
<td>0.068</td>
<td>0.098</td>
<td>0.064</td>
<td>-0.069</td>
<td>0.002</td>
</tr>
<tr>
<td>Professionalism of the carrier’s staff</td>
<td>0.715</td>
<td>0.078</td>
<td>0.028</td>
<td>0.014</td>
<td>0.102</td>
<td>0.131</td>
</tr>
<tr>
<td>Carrier staff knowledge</td>
<td>0.602</td>
<td>0.178</td>
<td>-0.010</td>
<td>-0.059</td>
<td>0.251</td>
<td>0.112</td>
</tr>
<tr>
<td>Carrier using renewable energy</td>
<td>-0.058</td>
<td>0.949</td>
<td>-0.023</td>
<td>-0.004</td>
<td>0.048</td>
<td>-0.033</td>
</tr>
<tr>
<td>Carrier’s commitment to reducing CO₂ emissions</td>
<td>0.036</td>
<td>0.885</td>
<td>0.011</td>
<td>0.062</td>
<td>0.059</td>
<td>-0.015</td>
</tr>
<tr>
<td>Environmentally friendly operations by the shipping line</td>
<td>0.163</td>
<td>0.810</td>
<td>-0.009</td>
<td>0.069</td>
<td>-0.112</td>
<td>0.026</td>
</tr>
<tr>
<td>Frequency of port calls</td>
<td>-0.128</td>
<td>-0.068</td>
<td>0.730</td>
<td>-0.021</td>
<td>0.211</td>
<td>0.180</td>
</tr>
<tr>
<td>Cargo tracking</td>
<td>0.053</td>
<td>0.340</td>
<td>0.681</td>
<td>0.161</td>
<td>0.054</td>
<td>-0.075</td>
</tr>
<tr>
<td>On-time invoicing by the shipping line</td>
<td>0.309</td>
<td>-0.137</td>
<td>0.679</td>
<td>0.161</td>
<td>0.054</td>
<td>0.074</td>
</tr>
<tr>
<td>Availability of door-to-door or multimodal transport services</td>
<td>-0.221</td>
<td>0.196</td>
<td>0.149</td>
<td>0.838</td>
<td>-0.057</td>
<td>0.097</td>
</tr>
<tr>
<td>Dedicated berth by shipping line</td>
<td>0.355</td>
<td>-0.060</td>
<td>-0.165</td>
<td>0.727</td>
<td>0.176</td>
<td>-0.063</td>
</tr>
<tr>
<td>Transparency of freight rates and charges</td>
<td>-0.087</td>
<td>-0.049</td>
<td>0.100</td>
<td>0.079</td>
<td>0.849</td>
<td>0.073</td>
</tr>
<tr>
<td>Simplicity of freight rates and their structure</td>
<td>0.258</td>
<td>0.116</td>
<td>0.072</td>
<td>-0.031</td>
<td>0.686</td>
<td>-0.006</td>
</tr>
<tr>
<td>Accuracy of shipping documents</td>
<td>-0.039</td>
<td>0.005</td>
<td>-0.180</td>
<td>0.030</td>
<td>0.107</td>
<td>0.917</td>
</tr>
<tr>
<td>Quoting of freight rates and charges on time by shipping line</td>
<td>0.246</td>
<td>-0.058</td>
<td>0.218</td>
<td>0.070</td>
<td>-0.194</td>
<td>0.698</td>
</tr>
<tr>
<td>Service schedule reliability</td>
<td>0.013</td>
<td>0.041</td>
<td>0.291</td>
<td>-0.068</td>
<td>0.121</td>
<td>0.662</td>
</tr>
</tbody>
</table>


Freight forwarders considered the ability of liner shipping companies to deliver goods quickly as very important as well. They perceived the smooth flow of goods through the supply chain without any interruption as essential for them to be able to achieve door-to-door delivery on time for their clients. The higher loading for them of dedicated berthing by shipping lines with quick handling items indicated that freight forwarders attributed a high level of concern to a liner shipping company’s ability to obtain a berth on arrival without delay. The berthing of ships on arrival by shipping companies or berth allocation by shipping lines is perceived as a central factor (Fanam et al., 2016), because it enables them to access their cargo in real time. Freight forwarders perceive dedicated berthing operations by shipping lines as an effective way to improve the performances of container transportation. This result confirmed the findings by Frémont (2005) and Hsu et al. (2015) which stated that dedicated berthing does not help only shippers and freight forwarders, but it also helps shipping lines to control ship and cargo handling more closely, and it further benefits them in exploiting greater levels of profitability than those formerly realised in the port terminal sector.

In the same way, liner shipping companies need to pay attention to the simplicity of freight rates and charges and their structure, as well as the general transparency of their freight rates and charges. This is because freight forwarders are a transport intermediary who buys transport services on behalf of their clients and they are critically concerned with freight rate settings and the structure of liner shipping companies. A high loading among responses on the transparency of...
freight rates and their structure indicated that survey respondents were particularly concerned about the composition of freight rates. Therefore, ocean container carriers should try their best to set up a freight rate template or table that can be easily understood, rather than quoting lumpsum total freight rates, which are difficult for the freight forwarders to understand.

From the perspective of the Ghanaian freight forwarders, ocean container carriers need to strive hard to maintain a high level of documentation accuracy. A shipping line’s ability to provide error-free documentation is paramount to their competitiveness. For example, an error free Bill of Lading, quote of rates, delivery order, cargo manifest and other shipping related documents enhances the shipping line’s possibility to be selected by freight forwarders. It has been found that the accuracy of documents is one of the most important factors to influence shipper choice of shipping lines as well, as those documents are used as formal evidence especially in procedures concerning the international payment of goods (Banomyong and Supatn, 2011; Lu, 2003). It is important for shipping companies to pay close attention to accurate shipping documents because any discrepancies on these can cause delay and even lead to penalties and other charges, such as the fee for a letter of credit correction, or amendment of the bill of lading.

Understanding the key factors that influence the decision making of freight forwarders is paramount for liner shipping companies because it can enable them to better focus their resources on marketing strategies and better address these factors, thus attracting more of them to their liner shipping services.

This paper makes some important contributions to the field. Firstly, it analyzed ocean carrier selection literature from the regional dimension, focusing on key factors which influence the choice of carrier across regions. Secondly, the paper addressed the views of the true decision makers in the selection of the ocean container carriers. Thirdly, this paper discussed the importance of liner shipping companies coming to understand the critical factors which affect their market share. Finally, this paper outlined the six important factors that freight forwarders employ when choosing an ocean container carrier from the Ghanaian perspective.

The main limitation of this paper is that it focuses on freight forwarders operating within the maritime sector. Also the selection of respondents was limited to one respondent per company. In the same way, the study was limited to only one country, namely Ghana. Future studies should consider comparing selection factors from different countries, or even compare them across different regions.

Conflicts of interests

The authors have not declared any conflict of interests.

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relationship between maritime firms and shippers in Taiwan. Transport J. 42(5):5-16.
Predictors of effective change management: A literature review

William Makumbe

Department of Management Studies, Great Zimbabwe University Masvingo, Zimbabwe.

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The purpose of this study was to bring together and analyze significant writings on change management in order to establish key variables in effective change management. Whilst there are many change models that have prescribed stages involved in implementing successful change management, a synthesis of the actual key variables that act as a bedrock in effective organisation change is missing in literature. The literature review undertaken in this study therefore sought to summarise the models by explaining the key predictors of effective change management. This article argues that Change leadership, communication, employee engagement and employee commitment are key variables in successful organisation change implementation.

Key words: Change leadership, change communication, employee engagement, employee commitment.

INTRODUCTION

Organizations today are facing more change than ever before (Conner, 1992). Change has become synonymous with standard business practice and an organization needs to change in order to remain competitive (Mutihac, 2010).

The fast changing technological environment, workforce diversity, changing customer tastes and preferences as well as cut throat competition are some of the business complexities confronting management today. To overcome these challenges organizations have to change.

However, it is computed that at least more than half of all the organisational change programs fail, reach a deadlock, or do not reach the results, which they initially were aiming at (Gravenhorst et al., 1999). This therefore calls for sound change management practices at the following key stages:

1. Prior to organization change implementation.
2. During organization change implementation.
3. After the implementation of organization change.

Many organization change models (Lewin, 1951; Kotter, 1996; Peddle et al., 1998; Paton and McCalm, 2000) have prescribed the key stages involved in effective change management to improve employee’s acceptance of change.

From the models it can be argued that organizational change will be a hapless endeavor without the appropriate leadership, employee engagement, communication to and commitment of individuals. The management of these four variables in the change management process play a pivotal role in the implementation of new ideas in organizations.

The management of change is key to meeting...
organization objectives, however many a time, the problem is that some business managers implement change initiatives without adequately taking cognisance of the impact of the aforesaid predictors on employee attitudes to change.

This is even more astonishing given that it is well recognized that the success of organizational changes often rests on the motivation and commitment of employees themselves (Armstrong-Stassen, 1998; Kozlowski et al., 1993).

All too often, employees are told to accept change programs which did not take into account their contributions or views. The lack of employee participation results in views and concerns going unheard. This leads to no sense of ownership being generated amongst employees which then causes change programs to fail due to lack of commitment.

Negative attitudes to change created as results of non-participation become a real challenge for business managers as resistance to change increases.

This study therefore brings to the fore the critical role played by the key predictors indicated above in improving change acceptance amongst employees in organisations.

**Objectives**

1. To analyse literature and establish the variables that are key in effective change management.
2. To provide an integrated conceptual framework for effective change management.

**METHODOLOGY**

Methodologically, this article is an integrated literature review because it reviewed, criticised and synthesized representative literature on key variables in effective change management. At the end of the article, the research interrogated significant findings in literature and developed a new framework on the topic that can be tested empirically in future researches. The article is therefore underpinned by an extensive literature review in order to establish key variables critical in effective change management. The sources that were consulted included:

1. Web-based articles.
2. Search engines such as EbscoHost, ScienceDirect, Jstor and Google Scholar.

**LITERATURE REVIEW**

**What is organisational change?**

Organisational change refers to planned or unplanned transformations in the structure, technology and / or people of an organisation (Greenberg and Baron, 2002).

In general, the aim of an organisational change is an adaptation to the environment and / or an improvement in performance (Pardo del val and Fuentes, 2003).

**Models in change management**

The key stages in effective change management have been emphasised in many change models, however this study focuses on a few models. These models have been chosen for illustrative purposes since we have many change models. The foundation for change management literature can be traced back to the early work of Lewin (1947). He suggested that successful change has to go through three phases; unfreezing, moving to a new state and refreezing. After Kurt Lewin, a number of organisation change models that prescribed the key stages to be followed in effective change management came into being. Some of the models are shown in Table 1.

A look at the three models indicate that leadership, employee engagement, communication and employee commitment feature frequently therefore are considered key in effective change management. These change-implementation models argue that, if change leaders follow their recommendations and execute the proposed strategies, they will be successful in implementing change in organisations. The next section discusses the key variables critical in effective change management.

**DISCUSSION**

**Key variables in effective change management**

**Leadership and change management**

Several researchers and popular authors acknowledge that leadership is critical to the success of any change initiative (Kotter, 1996; Bommer et al., 2005; Tyler and Cremer, 2005; Kavanagh and Ashkanasy, 2006; Furst and Cable, 2008).

Leaders are known as "Champions of Change"- as it is the top management of any organization who keep the process of change going on and maintaining the operational reliability of the organization (Nadler and Nadler, 1998).

Change management literature has also focused on activities that leaders have to perform in order for change initiatives to come to fruition. Higgs and Rowland (2000, 2001) focused on leadership activities involved in implementing change. They identified five broad areas of leadership competency associated with successful change implementation. These were identified as:

1. Creating the case for change: effectively engaging others in recognizing the business need for change.
2. Creating structural change: ensuring that the change is based on depth of understanding of the issues and
Table 1. Organisation change models.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Compelling need for change</td>
<td>Establishing sense of urgency</td>
<td>Mobilising</td>
<td>Problem description</td>
</tr>
<tr>
<td>Visible, aligned and committed leadership</td>
<td>Creating guiding coalition</td>
<td>Handling power issues</td>
<td>Visible and tangible senior management</td>
</tr>
<tr>
<td>Clarity and direction of targets</td>
<td>Developing a vision and strategy</td>
<td>Defining vision</td>
<td>Formulating objectives and success criteria</td>
</tr>
<tr>
<td>Broad based participation</td>
<td>Empowering employees</td>
<td>Obtaining participation</td>
<td>Participation of those affected</td>
</tr>
<tr>
<td>Targeted and effective communication</td>
<td>Communicating change vision</td>
<td>Communicating actively</td>
<td>Communicate openly</td>
</tr>
<tr>
<td>Generating quick wins</td>
<td>Generating short wins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training &amp; Mentoring</td>
<td>Anchoring new approaches in culture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivating people to change behaviour</td>
<td></td>
<td>Handling the emotional dimension</td>
<td>consolidation</td>
</tr>
</tbody>
</table>

supported with a consistent set of tools and processes.
3. Engaging others in the whole change process and building commitment.
4. Implementing and sustaining changes: developing effective plans and ensuring good monitoring and review practices are developed.
5. Facilitating and developing capability: ensuring that people are challenged to find their own answers and that they are supported in doing this.

Other researches also support the utility of change leadership behaviours as researchers have outlined a lack of visioning, lack of leadership support, lack of commitment to change for the right reasons, and lack of a guiding coalition as major barriers to successful change (Kotter, 1996; Winum et al., 1997; Ostroff, 2006; By et al., 2008).

Gill (2003) proposed a model of successful change leadership. He stated that successful change requires vision, strategy, the development of a culture of sustainable shared values that support the vision and strategy for change, and empowering, motivating and inspiring those who are involved or affected. Figure 1 shows elements that lead to effective change leadership in an organisation (Gill, 2003). These are further explained.

**Vision**

The ability to come up with a vision has been talked about frequently. “A vision is a mental image of a possible and desirable future of the organization” (Bennis and Nanus, 1985; Maxey, 2000). Kotter states that the vision is the ability of a leader to look in to future while aligning the team with that vision, and then make them inspire to get the desired goals concerning that future. Vision is a picture of the future with some implicit or explicit commentary on why people should strive to create that future (Kotter, 1996).

Vision plays a key role in producing useful change by helping to direct, align and inspire actions on the part of large numbers of people. Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible and time consuming projects that go in the wrong direction or nowhere at all” (Kotter, 1996). A vision therefore acts as a beacon to the followers. It directs where the organization is intending to move towards. Without the vision, the employees in the organization will lose direction and hence the change objective will not be achieved. This study therefore argues that the leadership has to craft and communicate a compelling vision to the people.

**Supportive shared values**

O’Toole (1995) says that there is a widespread belief among corporate executives in the need to create strong, shared values to unite people in a fragmented world. Effective leadership entails identifying and promoting shared values. Shared values are a key feature of a strong organisational culture (that includes beliefs, attitudes and patterns of habitual behaviour) that supports a common purpose and engenders commitment to it. Shared values serve the purpose of binding people together creating strong cohesiveness amongst employees. An appropriate culture act as a source of competitive advantage in organisations. The leaders are there to develop and maintain a supportive culture.

**Strategy for change**

Without strategies for change, vision is a dream (Gill, 2003). This means that a vision has to be well supported by strategies. It is the leadership of an organisation
whose responsibility is to craft strategies to achieve organisation change vision. Effective leadership entails developing, getting commitment to and implementing rational business strategies based on possible future scenarios for the organisation (Gill, 2003). An effective strategy for change entails creating a guiding coalition — putting together a group of people with enough power to lead the change — and getting it to work together as an effective team (Kotter, 1995).

**Empowerment**

In practice, empowerment is giving people the knowledge, skills, opportunity, freedom, self-confidence and resources to manage themselves and be accountable (Gill, 2003). According to Kotter (2005), empowering people for action in part entails getting rid of obstacles to change, removing or changing systems or structures that undermine the vision, and encouraging risk taking, new ideas and innovative. Empowerment therefore allows people in the taking part in the change process to develop a sense of ownership for decisions they make. This leads to the development of high commitment towards change objectives. As commitment increases resistance to change is reduced. The leadership can also create self-managed teams during change implementation. These teams are empowered to come up with decisions and be able to implement them.

**Motivation**

Effective leaders motivate and inspire people to want to do what needs to be done. Kotter’s 8 step model sixth step involves creating short term wins. This involves setting targets that are easy to achieve. When employees achieve the targets they have to be rewarded. Rewarding employees for good performance is motivational. Employees will apply much more effort towards the achievement of organisational objectives.

**Communication and change management**

Communication is a key in effective change management and effective communication is important for both managerial and organizational success (Dawson, 1996; Kreitner and Kinicki, 1995). The empirical picture that is slowly emerging indicates that communication process and organisational change implementation are inextricably linked processes” (Lewis, 1999). Communication strategy can be perceived as a mechanism to clarify the facts to various stakeholders of what is going to change, why, and what benefits they can expect to derive from the change (Kulvsaechana, 2001). Several scholars have emphasised the importance of communication in organisation change. The first goal of organisational communication should be to inform the employees about their tasks and about the policy and other issues of the organisation. One of the main purposes of change communication should be to inform the organisational members about the change, and how their work is altered because of the change. This informative function of communication will have an effect on readiness for change (Elving, 2005) Communication also serves to create a community, resulting in commitment with the organisation and trust in the organisation. This study supports the conceptual model of communication proposed by Elving (2005) as shown in
Communication to inform

Malek and Yazdanifard (2012) stated that communication is used to announce organizational changes and to provide stakeholders with information about the nature, timing, and significance of the change. Meaningful communication informs and educates employees at all levels and motivates them to support the strategy (Barrett, 2002). This is important as positive attitudes to change are vital in successful change programs (Kotter, 1996), as resistance to change is one of the biggest barriers to overcome. Communication of changes are therefore very critical during the process of change management. Prior to the implementation of change the leadership has to explain why the change is necessary and also tackle on the benefits and costs of the change process. During the implementation of the change people are concerned about the progress being made towards the accomplishment of organizational objectives. After the implementation of new initiatives the change leadership has to communicate the new behaviors that support the change programmes to prevent change decay.

Communication aimed at creating community

Communication should be used to create a community which will increase commitment, trust, and identification with the organization and management (Hussain, 2013). Weber and Weber (2001) also share the sentiments as Elving (2005) when they stated that higher levels of feedback, autonomy, employee participation and goal clarity would lead to greater levels of perceptions of supervisory support. An organization which involves its employees in the change and takes their feedback seriously can create a platform for open employee participation (Weber and Weber, 2001). This leads to commitment towards change initiatives. Trust results in distinctive effects such as more positive attitudes, higher levels of cooperation, and superior levels of performance (Jones and George, 1998; Mayer et al., 1995).

Uncertainty and Job Security

Uncertainty during change processes is typically about the aim, process and expected outcomes of the change and implications for the individual employees (Buono and Bowditch, 1993). Knowledge is not only a pre-requisite to the ability of influencing the outcomes (Terry and Jimmieson, 1999), but knowledge about the motives for change will also help reducing uncertainty and creating readiness for change. It has often been stated that employees do not fear change but the consequences of change. Communication helps to manage the fear amongst employees in the organisation. Before the introduction of the change, the benefits and the costs of the change have to be communicated to the employees. This helps employees to become better prepared for the change consequences. If the there is no communication a cloud of uncertainty develops and there will be resistance to change.

Employee commitment and change management

Commitment to change usually reflects an employee’s level of attachment to the implementation of new work
rules, policies, programs, budgets, technology (Neubert and Wu, 2009). Change management literature makes a distinction amongst three types of commitment:

1. **Affective commitment** is defined as the strength of an individual’s identification and involvement with the organisation. It is characterised by a strong belief in and acceptance of the goals and values of the organisation, a willingness to put in extra effort on behalf of the organisation and a desire to remain a member of the organisation (Maxwell and Steele, 2003; Falkenburg and Schyns, 2007).

2. **Continuance commitment** can be defined as the commitment an employee has towards the organisation because of the investments they have made in the organisation and the costs associated with leaving the organisation (Falkenburg and Schyns, 2007). These investments could include close working relationships with co-workers, retirement and career investments. **Continuance commitment** is also strengthened by a perceived lack of employment alternatives, which increases the cost associated with leaving the organisation (Stallworth, 2004). Employees who possess a high degree of **affective commitment** will remain with the organisation because they want to, while employees with a high degree of **continuance commitment** will remain with the organisation because they have to.

3. **Normative commitment** is a form of commitment that is based on an individual’s feeling of obligation to remain with the organisation because it is seen as the moral and right thing to do (Meyer and Allen 1991). These feelings of obligation can occur in instances where, for example, the organisation has supported the employees’ educational efforts (Williams, 2004).

Managers who can get their subordinates to commit to new goals, programs, policies, and procedures may stand a better chance of having these critical business activities successfully implemented (Kotter, 1996). Jason (2010) in reviewing literature on commitment to change, looked at how various authors (Herscovitch and Meyer, 2002; Conner, 1992; Coatsee, 1999; Armenakis, 1993) have discussed the factors that lead to employee commitment in organisation change. What all these conceptualizations share is the notion that Commitment to change reflects some kind of attachment to and involvement in the change initiative, which results from awareness of the change, some combination of motivating factors, be they goal congruence, affective affinity, or self-interest, and the mental/physical ability to work on behalf of the change initiative.

This study proposes a model developed by Armenakis et al. (1993) to show factors that lead to effective change commitment. The conceptualisation is as shown in Figure 3.

**Awareness of the discrepancy between the status quo and desired state**

Employees get committed to change if they are aware of the reasons why they have to move from the status quo to a desired future state. This understanding is influenced explaining why change is necessary clearly spelling out the benefits of the change initiatives. A lot of effort has to be made to incorporate the employees’ views in the whole change programme resulting in the development of affective commitment.

**Change leaders support**

Change initiatives have to be supported by resources.
The change leadership has to provide adequate support to see changes through. The resources can be in the form of capital, human resources, equipment and information. The inadequacy of these in the right quantity or quality negatively affects the achievement of change goals. Change leaders have to make sure the provision of the required resources to elicit the right levels of commitment is provided.

Valence of the change to the employee

Employees are also less likely to resist change when they feel that some value will accrue to them as a result of the change. While many authors refer to this as ‘personal valence’ (Armenakis et al., 1993, 1999; Dirks et al., 1996), a distinction should be made between perceptions that the change is personally beneficial and perceptions that the change will benefit the organisation (organisational valence). Employees who believe that the change will benefit both themselves and the organisation are more likely to support the change, whereas employees who do not believe any benefits will result from the change will resist the change effort (Jansen and Michael 2010). It follows therefore that change leadership reward appropriately the employees who achieve change objectives.

Ability of the organization and the employee to achieve change objectives

Commitment to change increases when employees believe that they are able to cope with the change (Armenakis et al., 1993, 1999) and have the skills and abilities to execute the tasks and activities that are associated with the implementation of the intended change (change confidence) (Holt et al., 2007). When employees’ confidence levels are low, or when coping efforts cease, there is a likelihood of resistance to organisational change.

Employee engagement and change management

McEwen (2011) present employee engagement as the affective and cognitive connection employees have for their organization that leads them to exert discretionary effort at work. The policies and practices of employee engagement strive to create an emotional bond between that of the employee and the organisation through communication, empowerment, rewards, recognition, and compensation linked to implementation objectives.

In much of the research concerning change management strategies, employee engagement is listed as a primary function to the success of properly implementing a change management initiative. Schmidt and Jackson (2005) state the fourth step to a balanced culture, communication, as “where engagement, ownership, and empowerment are built”.

Kotter (2005) in his eight step model indicated employee engagement as critical in attaining change objectives. He talked of communicating the vision (in step 4) and empowering employees (in step 5) as critical stages of implementing change successfully. In Pugh (2005) six change rules he stressed employee engagement in step II (initiate change through formal discussion and get feedback and participation) and step III (positively encourage those concerned to give their objections). Price and Chahal (2005) list “communications and workforce engagement” as step number four in their six-step process.

Finally, Guy and Beauman (2005) highlight “engagement and alignment” as one of the three main categories for successful change management. Guy and Beauman (2005) also list commitment as the leading component of engagement and alignment. The aforesaid support the view that when employees are engaged, organization change can be implemented successfully. Saks (2006) used job characteristics, perceived supervisor support, rewards and recognition and procedural justices as considered factors that could affect engagement levels. His model is presented in Figure 4.

Perceived organisational and supervisor support

Organizational members feel safe in work environments that are characterized by openness and supportiveness (Saks, 2005). Supportive environments allow members to experiment and to try new things and even fail without fear of the consequences (Kahn, 1990). Employees therefore become engaged in their work.

Distributive and procedural justice

A system of fairness in terms of the distribution and allocation of resources enables employees to provide more energy towards work (Saks, 2005). Employees with high perceptions of justice are likely to be positive towards work. Fair and just application of company procedures is motivational.

Job characteristics

Jobs that offer variety and which also allow opportunities for decision making improve the worker engagement levels. Jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged (Kahn, 1992).

Rewards and recognition

Kahn (1990) reported that people vary in their
engagement as a function of their perceptions of the benefits they receive from a role. This means that those employees who receive high rewards are likely to experience high engagement levels.

RESULTS

Proposed integrated conceptual framework of effective change predictors

From the aforementioned literature, this study proposes an integrated conceptual framework of effective change predictors. The integrated conceptual framework is presented in Figure 5.

Conclusion

From the literature analysed earlier, it is apparent that communication, leadership, employee engagement and employee commitment play a central role in change acceptance. Change managers have to manage the four variables to realise the benefits of change.
Areas of further research

The study proposes further research to empirically test the framework that has been developed in this study. The study should focus on how the variables identified in the framework influence employee attitudes to change in organisations.

Conflict of Interests

The author has not declared any conflict of interests.

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