ORGANIZATIONAL READINESS FOR CHANGE, INDIVIDUAL FEAR OF CHANGE, AND SALES MANAGER PERFORMANCE: AN EMPIRICAL INVESTIGATION

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Sales organizations are experiencing a period of increasing change in the marketplace. Consequently, firms must strive to develop and implement successful change initiatives. Previous research has had limited success in explaining the factors that are associated with successful versus unsuccessful change initiatives. This study examines perceptions of an organization's readiness for change and individual fear of change as they relate to individual performance. Three hundred and forty-three sales managers from several industries participated in this study. A significant positive association was found between a sales manager's perception of his or her organization's readiness for change and his or her job performance. When taking into consideration a sales manager's fear of change, the aforementioned relationship between perceived organizational readiness for change and sales manager job performance is enhanced. Implications for academicians and practitioners are provided along with directions for future research.

The first decade of the new millennium has been forecasted to be a period of tremendous change in the workplace (Cascio 1995; Gordon et al. 2000; Howard 1995). Successful organizations continually anticipate and manage a variety of change venues: economic changes due to globalization of markets, technological changes (i.e., advances in information technology), market changes (i.e., rate of change in the composition of customers and their preferences), political changes (i.e., privatization), social changes (i.e., an increasing concern for the environment), and competitive intensity (e.g., frequent introduction of new products and shorter product life cycles). As the rate of change affecting business continues to accelerate, organizations must strive to develop and implement change initiatives. Organizational change is comprised of those processes that break down existing structures and create new structures—often new organizations, cultures, business strategies, and ways of working (Hutchison 2001).

Anderson (1996) asserts that, like organizations, individual employees who continue to learn and adapt to change will succeed in tumultuous times. Working from Anderson's assertions, individual sales manager's perceptions of their organizations and their own fear of change are the focus of this paper. Specifically, we will examine to what degree a sales manager's perceptions of his or her organization's readiness to change is related to his or her individual performance and to what degree this relationship is moderated by the sales manager's fear of change.

READINESS FOR CHANGE

Change initiatives for the purpose of performance improvement and achieving competitive advantage have experienced a number of problems (Denton 1996; Galpin and Robinson 1997; Geisler 1996; Harari 1997; Lawson 2003). Reasons for change program shortcomings have been documented for decades. One long-known explanation for unsuccessful change initiatives is the tendency of management to seek a quick fix instead of taking a longer-term perspective (Kilmann 1984). Another long-known reason for lack of change success is the propensity for organizations to implement piecemeal solutions rather than taking a systems perspective (Ackoff 1974). Some of the difficulties with change initiatives may be attributed to deeper, more critical sources, such as the pervasive culture of the organization and the operating climate (McNabb and Sepic 1995). An organization's culture is the deep-rooted set of values and beliefs that provide norms for behavior (Deshpande and Webster 1989; Schein 1992). An organization's climate refers to the ways organizations operationalize routine behaviors and the actions that are expected, supported, and rewarded (Schneider and Rentsch 1988). These two characteristics combine to determine organizational readiness for change (McNabb and Sepic 1995). It can be expected that if a firm's culture and climate are not
Conducive to the acceptance of change, such initiatives will likely fail regardless of the desires and plans of the more proactive management in the firm. When discussing the concept of change, the process of altering people's actions, reactions, and interactions to move the organization's existing state to some future desired state is paramount (Pettigrew 1990). The primary way to bring about lasting change is to develop working conditions in which employees can operate more effectively (McNabb and Sepic 1995).

At the individual level of an organization, and pertinent to this study, a sales manager's perceptions of his or her firm's readiness for change may impact that manager's involvement in implementing any new change initiative (Chonko et al. 2002). Furthermore, a sales manager's fear of change may also influence his or her willingness to undertake change initiatives. Change threatens one's stability and continuity. Employees aware of the need to change still might resist the part of the initiative that appears too major, risky, or different (Tapsell and Law 1998). Said another way, fear of failure creates a fear of learning, which parallels a fear of change and the need to cling to the present situation (Harari 1999).

The purpose of the research reported here is to examine change-related factors that may impact sales manager performance. First, we refer to the change literature to investigate the degree to which sales managers' perception of his or her firm's readiness to change influences his or her job performance. Second, we introduce a scale for measuring an individual's fear of change. Third, we examine whether a sales manager's fear of change impacts the hypothesized relationship between perceived organizational readiness to change and sales managers' performance. Figure 1 contains the relationships tested in the present study.

We chose to employ sales managers in this study for several reasons. First, an organization's sales force is a primary source of revenue generation and growth in many firms (Colletti and Chonko 1997). Second, the sales force is acknowledged as a key change agent in most organizations (Colletti and Chonko 1997). Third, Hurley (1998) calls for research regarding leadership characteristics required for effective change managers in sales organizations. Fourth, middle management (i.e., sales managers) has often been identified as the primary locus for resistance to radical change (Biggart 1977; Miles 1997). Finally, Farrand (1998) notes there is a lack of empirical research linking sales management to overall marketing strategy, even though sales managers are a critical link between upper management, which establishes plans and strategies, and the sales force, which is expected to implement plans in the field (Russ, McNeilly, and Comer 1996).

In general, successful change is more likely to occur when leaders, such as sales managers, support change and encourage the support of others, such as the salespeople. An important driver in the success of a change initiative is open communications from the start of the change initiative (Hutchison 2001). Sales managers help shape opinions, decisions, and actions. They can be influential in the acceptance of sales force goals (Podsakoff, Mackenzie, and Bommer 1996) and performance (Crnkovich and Hesterly 1996). Therefore, we consider it an important initial step to examine sales managers' viewpoints about change-related issues.

**THEORETICAL BACKGROUND AND HYPOTHESES**

**Organizational Readiness for Change and Job Performance**

Historically, studies of sales performance have focused on determinants of sales performance (Chonko et al. 2000). Pioneering work in the area of sales performance by Walker, Churchill, and Ford (1977) offered a comprehensive model of salesperson performance. Antecedents of performance in this model were classified into five categories: (1) personal, organizational, and environmental factors; (2) motivation; (3) aptitude; (4) skill levels; and (5) role perceptions (Balaji, Netemeyer, and Boles 2002). Subsequent research has studied the above potential antecedents to sales performance in some detail. Studies of sales performance have explained some variance in sales performance, substantive unexplained variance still exists (e.g., Cravens et al. 1993; Sujan, Weitz, and Sujan 1988). The present study focuses on one antecedent and one potential moderator of sales manager performance—perceptions of organization readiness for change and fear of change.

Employees are at the center of organizational change initiatives (Tetenbaum 1998). According to Armenakis, Harris, and Mossholder (1993), the energy, support, and inspiration
required to create the perception among employees that an organization is ready for change derives from those individuals within the organization. Readiness for change has been defined as “the cognitive precursor to the behaviors of either resistance to or support for change efforts” (Armenakis, Harris, and Mossholder 1993, pp. 681–682). An individual’s perception of an organization’s readiness for change is viewed as a similar concept to unfreezing, which is described as a process in which an individual’s beliefs and attitudes about pending change are influenced such that the imminent change is seen as useful (Lewin 1951). In the present sales context, perceptions of organizational readiness for change embody the individual sales manager’s (1) beliefs, attitudes, and intentions regarding the extent to which change is needed, and (2) perceptions of the organization’s ability to deal with change under dynamic business conditions (e.g., Armenakis, Harris, and Mossholder 1993). Sales managers’ assumptions and expectations regarding change comprise their dispositions concerning their organization’s readiness for change (Wheatley 1992). Spreitzer (1996), Thomas and Velthouse (1990), and Eby et al. (2000) suggest that perceptions of readiness to change reflect an individual’s unique interpretation based on his or her experiences.

When environmental change is pervasive or difficult to predict, sales organizations have to be capable of rapid change to survive (cf. D’Aveni 1994). An individual sales manager’s perceptions of an organization’s readiness for change are affected by his or her perceptions of environmental turbulence (i.e., rate of change in composition of customers, rate of technological change, and competitive intensity in the marketplace) and organizational culture, climate, policies, and practices. When sales organizations encounter a turbulent business environment, employees such as sales managers may express concern about their organization’s readiness for change. For example, if an organization’s structure is perceived as rigid and inflexible, sales managers are likely to hold unfavorable views about the organization’s readiness for change. As environmental complexity has increased in the past decade, adaptation and change have become important research issues (Gordon et al. 2000). An individual sales manager’s organizational experiences with change shape how that individual perceives the organization’s readiness for change (Law and Woodman 1995). For example, during the 1970s, U.S. consumers indicated a preference for gas-efficient automobiles. As employees of U.S. automobile manufacturers continued to see their firms investing in large vehicle manufacturing facilities, one might expect that these employees would perceive their employers as not interested in accommodating consumer preferences and not ready to change with the times. Likewise, in a sales organization, sales managers have preconceived views about their organization’s readiness for change. Sales managers following outmoded company mandated rules and regulations in governing their salespeople may perceive their organizations as not staying current. Similarly, sales organizations that do not allocate enough funds for sales managers to invest in the proper technology for their salespeople might also be perceived as not ready for change by those sales managers.

If a sales manager perceives that his or her organization fosters an environment that supports change efforts, one might expect sales managers to be more willing to take risks and embrace change strategies that might increase performance. Conversely, if a sales manager perceives that his or her organization does not foster an environment that supports change efforts, one might expect sales managers to be less willing to take risks and embrace change they perceive as possibly hurting their performance. Therefore, we propose the following hypothesis:

H1: A sales manager’s perception of the sales organization’s readiness for change will be positively related to his or her level of performance.

Moderating Impact of Individual Fear of Change

Up to this point, we have focused on the sales manager’s perceptions of his or her organization’s readiness to change and the importance of recognizing that sales managers operate at different levels of readiness for change (Blanchard 1992). Individuals who are more change-ready will be more likely than others to accept and act on a change initiative. Dan Sweeney, a vice president at IBM’s retail consultancy practice, is quoted by Harari regarding this point: “Certainly, to the degree that knowledge is power and change invalidates that knowledge, then change robs us of power. Change robs us of our ability to know and therefore to manage our future. It robs us of our sense of control over our affairs. The prospect of such a loss will indeed raise fear and anxiety in the hearts and souls of executives used to dealing from reliable knowledge and exercising its consequent power” (1999, p. 3). Fear of change is potentially one reason why employees differ in their willingness to accept change. Indeed, Bennett et al. (1998) assert that fear of change and the demand of the forces that lead to fear of change are common in today’s business world.

From a psychoanalytic perspective, a key reason that some employees do not readily support change is their fear of the dangers that they believe change entails. In most organizations, change is imposed top-down. People have a natural fear of change and when change is mandated they feel a loss of control (Evans 2001). Eagle (1999) notes that fear of the unknown is a powerful reason that individuals do not change, or at least do not change quickly. They fear that change might entail danger, pain, and anxiety. To many people in an organization, change initiatives imply a loss of the security that goes with a specific job. Further, uncertainty associated with
change can heighten an individual's fear of making mistakes or showing ignorance. Sense and Kaeufer (2000) note that change efforts can induce fear. In particular, change processes that call into question long-held beliefs, attitudes, and habitual ways of acting can be threatening. Insecurity associated with change can lead people to hang onto old patterns of behavior (Kets de Vries and Balazs 1999). The fear of failure creates a fear of change and the desire to cling to the status quo. Such thinking often is associated with the assumption that by replicating the actions of yesterday that brought us success today, we will achieve success tomorrow. However, this belief only makes sense if tomorrow will look like yesterday (Harari 1999). And this is unlikely given the present turbulent business environment in which organizations operate.

With the above research and Baron and Kenny's (1986) definition of a moderator variable, one might expect the sales manager's fear of change to moderate the perception of organizational readiness for change-job performance relationship. If a sales manager perceives the firm is ready to change even though he or she has a high fear of change, we posit the manager would be more likely to accept change because he or she can envision higher performance. Alternatively, a sales manager that perceives the sales organization as not ready for change and has a high fear of change is less likely to accept change because he or she sees no performance improvement resulting from the change. Similarly, a sales manager with low fear of change, who perceives the sales organization as ready for change, will be more likely to embrace change as he or she views change will improve performance. However, when the organization is viewed as not ready for change, a sales manager with low fear of change will be less likely to see the change having a positive effect on performance. Therefore, we suggest the following hypothesis:

**H2: Sales manager's fear of change strengthens the organizational readiness for change-job performance relationship.**

**METHOD**

**Sample and Data Collection**

A nationwide mailing list comprised of 2,500 sales managers was used to collect the data to examine the relationships presently studied. Potential respondents were each sent a mail survey packet that included a questionnaire and a cover letter prepared by the researchers. A total of 303 of the questionnaire mailed out were undeliverable. In total, 343 responses out of 2,197 contacts were obtained, for an overall response rate of 15.6 percent. Pertinent descriptive statistics from the obtained sample are provided in Table 1.

For generalizability, we chose a sample that was comprised of sales managers that spanned a variety of industries. Most of the survey participants had been with their respective companies for over a decade. The participants also possessed considerable sales experience, having worked in the sales field an average of almost 20 years. Furthermore, sample respondents had, on average, almost 25 years of work experience. Taken together, these tenure statistics indicate a very high level of experience for the present sample. The average age of 47 is also indicative of a high level of work experience. Nearly half of the respondents possess a college degree, with one-fifth having completed a graduate education.

**Nonresponse Bias**

The possibility of nonresponse bias was assessed by comparing the first half of the returned surveys with the second half of the returned surveys. The “wave analysis” examines the assumption that early respondents are more interested in, or aware of, the topic of study than later respondents who are more likely to be like nonrespondents (Armstrong and Overton 1977; Frazier and Rody 1991). For the variables examined in this study, no significant differences were detected between those surveys returned early and those returned later.

**Measurement Scales**

An exploratory factor analysis using varimax rotation was used in the present study as a partial test of the validity of the organizational readiness for change, job performance, and individual fear-of-change scales. All 16 items of the 3 scales loaded on their respective constructs and there were no significant cross-loadings.

**Organizational Readiness for Change**

Organizational readiness for change was operationalized using a four-item, five-point Likert scale that assessed a sales manager’s perception as to how ready his or her company was to change (see the Appendix for items). The readiness-for-change scale was based on scales originally developed by Daley (1991), Hardin (1967), and Trumbo (1961). The composite measure of the items in this study resulted in a Cronbach’s alpha of 0.85.

**Job Performance**

Job performance was measured by using a self-report, seven-item, five-point Likert scale (see the Appendix for items). Self-report methods have been used in several sales studies (cf. Behrman and Perreault 1982; 1984; Chonko, Tanner, and Weeks 1993; Churchill, Ford, and Walker 1974; Tyagi 1985; Weeks and Nantel 1992; Weeks and Stevens 1997). The sales managers were asked to indicate how they compared to other sales managers working for their company, with responses
Table I
Sample Characteristics

<table>
<thead>
<tr>
<th>Length of Employment with Current Company</th>
<th>Sales Experience</th>
<th>Business Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Years</strong></td>
<td><strong>Percent</strong></td>
<td><strong>Years</strong></td>
</tr>
<tr>
<td>0–1 years</td>
<td>3.8</td>
<td>0–1 years</td>
</tr>
<tr>
<td>2–5 years</td>
<td>23.0</td>
<td>2–5 years</td>
</tr>
<tr>
<td>6–10 years</td>
<td>28.2</td>
<td>6–10 years</td>
</tr>
<tr>
<td>11–15 years</td>
<td>16.8</td>
<td>11–15 years</td>
</tr>
<tr>
<td>16–20 years</td>
<td>13.5</td>
<td>16–20 years</td>
</tr>
<tr>
<td>21 or more years</td>
<td>14.7</td>
<td>21 or more years</td>
</tr>
<tr>
<td>Mean Years</td>
<td>11.5</td>
<td>Mean Years</td>
</tr>
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<table>
<thead>
<tr>
<th>Income</th>
<th>Firms Worked For</th>
<th>Age</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level</strong></td>
<td><strong>Percent</strong></td>
<td><strong>Number</strong></td>
<td><strong>Percent</strong></td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>0.9</td>
<td>1</td>
<td>12.0</td>
</tr>
<tr>
<td>$20,000 to $29,999</td>
<td>3.3</td>
<td>2</td>
<td>23.4</td>
</tr>
<tr>
<td>$30,000 to $39,999</td>
<td>5.5</td>
<td>3</td>
<td>25.4</td>
</tr>
<tr>
<td>$40,000 to $49,999</td>
<td>10.6</td>
<td>4 to 5</td>
<td>27.9</td>
</tr>
<tr>
<td>$50,000 to $59,999</td>
<td>8.8</td>
<td>More than 5</td>
<td>11.4</td>
</tr>
<tr>
<td>$60,000 to $69,999</td>
<td>9.1</td>
<td>Mean number of Firms</td>
<td>3.31</td>
</tr>
<tr>
<td>$70,000 to $79,999</td>
<td>7.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$80,000 to $89,999</td>
<td>9.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$90,000 to $99,999</td>
<td>5.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$100,000 to $129,999</td>
<td>16.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$130,000 or more</td>
<td>22.1</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Size of Firm Worked For</th>
</tr>
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<tbody>
<tr>
<td><strong>Attainment</strong></td>
<td><strong>Percent</strong></td>
</tr>
<tr>
<td>High School or Less</td>
<td>5.3</td>
</tr>
<tr>
<td>Some College</td>
<td>26.4</td>
</tr>
<tr>
<td>College Graduate</td>
<td>47.2</td>
</tr>
<tr>
<td>Graduate School</td>
<td>21.1</td>
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ranging from “much worse” to “much better.” Sujan, Weitz, and Kumar (1994) provided the original scale adapted in this study for use with sales managers. Factor analysis was run on the seven items confirming that the scale is unidimensional. The composite measure of the items in this study resulted in a Cronbach's alpha of 0.90.

Individual Fear of Change

The individual fear-of-change scale constructed in the current study was operationalized by using a five-item, five-point Likert scale (see the Appendix for items). The sales managers were asked to indicate their agreement with each item ranging from “strongly agree” to “strongly disagree.” Factor analysis was run on the five items suggesting that the scale is unidimensional. The composite measure of the items in this study resulted in a Cronbach’s alpha of 0.83.

RESULTS

Correlation analysis was conducted for the constructs in this study. A correlation matrix and descriptive statistics are provided in Table 2.

To test H1 and H2, job performance was regressed on organizational readiness for change and individual fear of change (see Table 3).

As posited, there is a significant association between a sales manager's perception of his or her organization's readiness for
Table 2  
Correlation Matrix and Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Organizational Readiness to Change</th>
<th>Fear of Change</th>
<th>Performance</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Readiness to Change</td>
<td>Pearson Correlations</td>
<td>1</td>
<td>0.249**</td>
<td>-0.119*</td>
<td>12.1529</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>340</td>
<td>337</td>
<td>297</td>
<td></td>
</tr>
<tr>
<td>Fear of Change</td>
<td>Pearson Correlations</td>
<td>0.249**</td>
<td>1</td>
<td>-0.264**</td>
<td>11.2544</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>337</td>
<td>338</td>
<td>295</td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>Pearson Correlations</td>
<td>-0.119*</td>
<td>-0.264**</td>
<td>1</td>
<td>27.5503</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>297</td>
<td>295</td>
<td>298</td>
<td></td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (two-tailed); ** correlation is significant at the 0.01 level (two-tailed).

Table 3  
Regression Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Beta</th>
<th>R²</th>
<th>F</th>
<th>t</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>0.092</td>
<td>9.824</td>
<td>11.698</td>
<td>0.000</td>
</tr>
<tr>
<td>RDY</td>
<td>-0.505</td>
<td></td>
<td></td>
<td>-2.592</td>
<td>0.010</td>
</tr>
<tr>
<td>FEAR</td>
<td>-0.764</td>
<td></td>
<td></td>
<td>-3.394</td>
<td>0.001</td>
</tr>
<tr>
<td>RDY*FEAR</td>
<td>0.754</td>
<td></td>
<td></td>
<td>2.354</td>
<td>0.019</td>
</tr>
</tbody>
</table>

Notes: Dependent variable: performance (PERF); Independent variables: organizational readiness to change (RDY), individual fear of change (FEAR), and interaction effect.

change and his or her own job performance \( R^2 = 0.092, F = 9.824, p < 0.01 \). Thus, H1 is supported. A sales manager’s perception of the sales organization’s readiness for change is significantly and positively related to his or her level of performance. The reason for the negative Beta in Table 3 for this relationship is due to the wording of the questions. For example, the first item used to measure perceived readiness to change states: “We fail to anticipate employee resistance to change.” The lowest performance measure is when a sales manager perceives his or her performance being below 25 percent of their peers. Therefore, the stronger a respondent agrees that the organization is not ready for change, the lower he or she assesses his or her own individual performance.

When an individual’s fear of change is taken into consideration, the analysis indicates that this measure does strengthen the perceived organizational readiness for change–job performance relationship. The interaction effect is significant \( (p = 0.019) \), thus H2 is supported. The positive Beta indicates that the relationship specified in H1 is enhanced when an individual’s fear of change is taken into consideration. When an individual is fearful of change, the relationship between perceived organizational readiness to change and performance will be positively enhanced.

DISCUSSION

One focus of this paper was to determine if there is a relationship between a sales manager’s perception of a sales organization’s readiness for change and job performance. A second focus involved whether this association is moderated by the sales manager’s fear of change. We found that an individual’s perception of his or her firm’s readiness for change is positively related to his or her own job performance. The more change-ready he or she feels his or her firm is, the higher his or her own performance. And, conversely, the less change-ready he or she perceives his or her firm, the lower his or her own job performance. It is disappointing that we did not find a stronger relationship between perceived organizational readiness for change and job performance. However, it comes as no surprise given Churchill et al. (1985) meta-analysis that found an average study accounted for less than 10 percent of the observed variation in sales performance. Even so, the
present relationship found between perceived organizational readiness for change and job performance suggests that change-related variables offer a potentially fruitful area of study.

Another explanation for the failure of previous change initiatives might lie with the emotional state of a firm’s employees rather than just their perception of organizational readiness for change. For this reason, the current study attempted to determine whether or not an individual’s fear of change has an impact on the relationship between his or her perception of his or her firm’s readiness to change and his or her own performance. Of note, we found that sales managers who were more fearful of change were also more sensitive to their sales organizations readiness to change. A perceived readiness to change on the part of the organization strengthened the relationship between organizational readiness and performance for the more fearful sales manager.

The present study also found that an individual sales manager’s fear of change may be a stronger indicator of performance than their perception of their firm’s readiness for change. We found that there is a significant relationship between an individual’s fear of change and his or her performance such that fear of change strengthens the relationship between perception of organization readiness to change and job performance. This has important implications for an organization’s recruiting and selection strategy. If management is hiring personnel who will be working in a very turbulent business environment that requires periodic employee change, it might be advisable for management to seek out individuals who are more receptive to change. In a broad sense, people do not like surprises. Thus, their first reaction to change is likely to be resistance as many change programs require employees to implement them on the day they are announced.

Uncovering fear of change is a preliminary step. And this first step required an understanding of antecedents to fear of change. For example, the cry, “if it ain’t broke, don’t fix it,” is a sign of change resistance that might underlie a fear of change. Similarly, sales managers may simply fear change as they fear failure might come with the change. In general, change heightens emotions and fears that lead to resistance. Thus, it is imperative that researchers uncover sources of fear of change that lead to change resistance. Having recognized the role fear plays in individual’s outcomes, researchers must focus efforts on understanding how fear manifests itself in the workplace. One might be led to the conclusion that training can help. However, training offers no guarantee that employees fearful of change will make changes in their work efforts (Rusaw 2000). Research related to the impact of training should focus on skills transfer, employee opportunities for change, resources available to make change, and individual factors (e.g., fear of change) that can mitigate the desired impacts of training.

Reasons for change resistance vary. One research issue relates to how fear of change manifests itself regarding change resistance. A discussion of change resistance is beyond the scope of this paper. However, researchers interested in the fear of change—resistance to change relationship can begin their quest by examining the literature on addictive behaviors (e.g., Tomer 2001) or organizational rationality (e.g., Argyris, Putnam, and Smith 1991), to mention two potentially insightful and relevant areas of future study.

One responsibility of an organization’s management engaged in change initiatives is disseminating information that describes what the firm is doing to be change-ready and how change will benefit employees. The lack of an effective communications strategy may very well be one explanation for the failure of previous change initiatives. Even though the organization’s management may have felt they had developed the necessary strategy to be proactive and sensitive to change, if lower level employees who are responsible for carrying out the strategy do not have knowledge of or confidence in management decisions, change initiatives may not be successful.

This study also has ramifications for sales force/sales manager interaction. Managers in this study exhibited varying levels of fear of change. That said, as managers, they should recognize that, like themselves, not every salesperson will support a change in sales strategies and tactics. For example, salespeople may view a change as having no immediate impact on their jobs. Further, they may not view a strategy change as relevant to all customers. However, allowing salespeople exclusive rights to make that determination can undermine change success. Leaders who are not involved may be viewed as nonsupportive. Moreover, existing strategies require certain competencies of salespeople. Change in strategy may require different competencies. For example, relationship-based salespeople develop a comfort with people such as materials managers, administrative assistants, and buyers. If, with change, they are expected to adopt a strategic account perspective, for example, these salespeople must now become comfortable with CEOs, CIOs, and CFOs. Finally, like some of the sales managers in this study, not all salespeople like change. This is where management’s knowledge of their own fears of change can be helpful. Simply put, salespeople must have some incentive to embrace change. “What’s in it for me?” (WIIFM) cannot be overlooked by management.

In a different venue, but pertinent to this study, a recent examination of change yielded the following results:

1. changes in culture and work environment and lack of potential for restructuring represented change survivors’ greatest fears;
2. staff reductions were the second most-cited fear;
3. leadership changes were the third most-cited fear;
4. most survivors noted that their workload had increased as a result of change;
5. about one-third of survivors anticipated that their firms would provide retraining programs;
6. about one-half of survivors were confident in their job security (HR Focus 2001).

Finally, the presentation of a scale designed to measure an individual’s fear of change is another important contribution of the current study. This study contributes to the literature a short, unidimensional, and reliable scale (alpha of 0.83) to measure fear of change. Despite the constantly changing business environment and the importance of individuals in affecting successful change, prior to this study fear of change had not been adequately investigated in a work setting.

LIMITATIONS AND FUTURE RESEARCH

As noted by Cronin and Taylor (1992), while every effort has been made to ensure that the potential threats to the reliability and validity of research results are minimized, that does not ensure that all threats are fully eliminated. Generalizations beyond the respondents examined should be approached cautiously. The selection of the specific sample through the purchase of a mailing list may have introduced a limitation to the generalizability of the results. Likewise, measurement issues are always a concern in such research. Having said that, we are confident that the results reported in this study are an accurate representation of the relationships described in this study. All established approaches were used to limit the threats to the implications produced by the results reported.

Another limitation regarding the sample is its heterogeneity. Since the sales managers come from several industries, they no doubt manage different types of salespeople (Moncrief 1986). Therefore, it might be possible that different sales managers will evaluate their performance differently according to their role and the type of salespeople they manage.

A final concern that should be recognized is that this is a cross-sectional study. While the results give us some insight regarding where people stand at a given point in time, it does not help us understand to what degree they can change regarding their responses over time.

There are several opportunities for future research. First, the proposed model can be extended. One might find it insightful to investigate the antecedents of a sales manager’s perception of his or her firm’s readiness for change, including organization culture and climate, market orientation, the organization’s responsiveness to channel member and ultimate customer expectations, as well as the financial stability of his or her company. Second, it might be fruitful to determine if there are any other variables that impact the influence that an individual’s fear of change has on the relationship between organizational readiness for change and job performance. For example, would the degree of environmental turbulence have an impact on the aforementioned relationship? One might argue that the more turbulent the business environment, the stronger will be the impact of one’s fear of change on the relationship between organizational readiness for change and job performance. Third, one might find it interesting to examine whether the results are consistent when using objective and subjective performance measures, given they are not the same (Comer et al. 1999).

Finally, change and learning are inseparable. Like change, learning resistance offers a fruitful area of study. Fear of change should be examined as it relates to resistance to learning (e.g., Schein 1992). Other barriers to learning include job skills and lack of previous successful learning experience (Cohen and Levinthal 1990). Given the common wisdom concerning the challenges of implementing customer relationship management (CRM) programs, the examination of learning and change in the context of fear appears to have potential to offer considerable insight into change disappointments.

CONCLUSION

The focus of this study sheds light on the question, “Does a sales manager’s perceptions of an organization’s readiness for change affect key job outcomes?” Positive perceptions of organizational readiness to change do positively impact a sales manager’s job performance. Moreover, fear of change moderates the above relationship. Sales managers who are fearful of change will look closely for signs of organizational readiness to change. Therefore, fear of change appears to strengthen the relationship between perceived organizational readiness to change and sales manager performance. With change, a given in most industries, it is only by developing a thorough understanding of change-related phenomena that future investigators can be in a position to offer guidance to all involved in change programs.

REFERENCES

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APPENDIX
STUDY SCALE ITEMS

Organizational Readiness

RDY1. We fail to anticipate employee resistance to change.
RDY2. We fail to plan for employee resistance to change.
RDY3. It is difficult to gain cross-functional cooperation when my company implements change.
RDY4. We have rigid hierarchical structures that prevent us from implementing change.

Job Performance

PERF1. Contributing to your company’s acquiring a good market share.
PERF2. Selling high profit-margin products.
PERF3. Generating a high level of dollar sales.
PERF4. Quickly generating sales of new company products.
PERF5. Identifying major accounts in your territory and selling to them.
PERF6. Exceeding sales targets.
PERF7. Assisting your sales supervisor meet his or her goals.

Individual Fear of Change

FEAR1. I am fearful of change.
FEAR2. I worry about changes taking place at work.
FEAR3. I feel anxious when I hear about impending changes at work.
FEAR4. I get nervous when I have to change the way I do things at work.
FEAR5. I am skeptical of change when it comes to my work.