DRIVING CHANGE: INNOVATIVE MANAGEMENT IN DISTRIBUTION CENTRES

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Abstract

Innovation requires change, and in the business environment, resistance to change is deleterious to organisations. The ability to continuously adapt to change enables firms to achieve sustainable value creation and competitive advantage (Innovation Management Incorporated, 1999). Major organisational changes for innovation can anticipate resistance, especially if proposed changes alter values and visions related to the existing order.

For businesses in the logistics industry to effectively meet needs of customers, the change process should weigh up the competencies and capabilities of the organisations, as well as their partners in the supply chain (Potter, 2001; Hultman, 1995; Bond, 1995; Steinburg, 1992; Dunphy and Dick, 1989; Ford, Ford and McNamara, 2002). This study relates to change management aspects encountered in Distribution Centres and the issues they faced. We utilised ten case studies including questionnaires and semi-structured interviews with twenty-three managers of Distribution Centres in Australia and Singapore to identify the drivers for change, the issues faced and their importance for successful innovation.

The most important driver for change found in Australian firms was to achieve customer satisfaction and provide better service value; whereas the most important driver for change in the Singaporean firms was achieving Continuous Innovation or improvement. This study concludes that resistance to change is inevitable, that individuals express resistance both covertly and overtly, and that an emotional cycle of change resistance and acceptance should be

expected and actively managed. The most important ingredient found for successful change management was employee involvement.

Introduction

Moran and Avergun's definition (1997) of change management provides a starting point, defining it as "the process of continually renewing the organization's direction, structure, and capabilities to serve the ever-changing needs of the marketplace, the organization, and employees." (Moran and Avergun, 1997; p.147) This does not go far enough as successful change management also requires the alignment of an organization's internal architecture, individual actions, and collective goals in order to achieve optimal results. Clearly, achieving this is unlikely to be an entirely smooth process.

For firms to be innovative, there must be awareness throughout the organisation of the need for innovation. Along with the streamlining of operations and processes to improve product and service delivery, the mindset of employees needs to change. Since innovation is an important factor for future growth of any business venture, change management is required for achieving the required business strategies and practices. This mindset drives every aspect of a successful, dynamic organisation, and permeates every element of business, creating a clear and enduring organisational mission or vision. There must be total organisational involvement for effective change - the change process must begin from, and have the support of senior management. For businesses in the logistics industry to effectively meet needs of customers, the change process should balance the competencies and capabilities of the organisations with those of their partners in the supply chain (Potter, 2001; Hultman, 1995; Bond, 1995; Steinburg, 1992; Dunphy and Dick, 1989; Ford, Ford and McNamara, 2002).

Imperatives for Change

Various authors have written about change management. Tushman and Romanelli (1995) for instance proposed the equilibrium model of organisational change where there is an interaction between radical and incremental change. They argue that organisations progress through convergent periods and reorientations. Convergent periods are relatively long time spans of incremental change and adaptation, whereas reorientations are relatively short periods of radical, discontinuous change. It was proposed that organisations embark on change to achieve consistencies in activities or operations for high performance. Two main reasons were identified that drive change. They are the sustained low performance resulting from a lack of consistency among activities in the activity domains, regardless of the appropriateness of the overall strategic orientation, and major changes in competitive, technological, social and legal conditions of the environment that make the current strategic orientation, regardless of its initial success, no longer effective (Tushman and Romanelli, 1995). Other authors have written about the profound economic, demographic, technological and management trends driving organisational change (Butler, 1993).

A case study of Heineken Inc. by Beugelsdijk et al (2002) on organisational change indicated that the main drivers for change were cost reduction and organisational restructure in the company. Another study by Johnson and Leenders (2003) investigated the drivers for major changes in supply chain responsibilities. They postulated that drivers existed both outside and within the firm. They refer to dominant environmental pressures (such as cost, market changes, political issues and parent comopany), corporate strategic initiatives (such as downsizing, mergers, acquisitions, divestitures and new corporate vision) and personal preference (such as ERP system, outsourcing, tax compliance, technology and efficient improvement).

Managing Change

Major organisational changes for innovation can anticipate resistance, especially if the proposed changes alter values and visions related to the existing order. Programs that satisfy one group often reduce the satisfaction of other groups, because the survival of one set of values and visions may be at the expense of the other (Trader-Leigh, 2002). People respond to change in different ways, with employees often settling into a comfort zone, in terms of their working practices. If those practices are challenged, then resistance to change may result (Potter, 2001). Effective managers should be aware of this and focus on building confidence, competence and self-esteem, by giving individuals the opportunity to experience success at the new ways of working as soon as possible. Potter (2001) gives an example of introducing new technology, particularly information and communication systems. It is crucial to introduce the individual to the new system in small, bite-sized chunks in which they can experience total success. These small steps then start to build up to create a critical mass of positive experiences, leading to confidence in the new system.

Management should pay more attention to human dimensions when implementing change. They have to invest more time in communicating, training, and following up on the change system or process. It is important for management to seek and take into consideration the input from employees into procedures for implementing change. Hultman (1995) believes that most employees expect to have their views considered, and to be treated with respect. Otherwise this will result in mistrust and resentment, making change more difficult to implement (New and Singer, 1983). Leading an organisation through change involves constructively balancing the human needs of the employees with those of the organisation (Spiker and Lesser, 1995; Ackerman, 1986). As organisations consist ultimately of people, organisational change essentially involves personal change (Bond, 1995; Steinburg, 1992; Dunphy and Dick, 1989) and requires the participation of people, who must first change themselves for organisational change to succeed (Evans, 1994).

The people aspect is critical. Introducing change is not just about changes in systems and processes, it is about people believing in change and wanting it to happen. Ford, Ford and McNamara (2002) note that for successful change everyone must share the same objectives and initiative for successful change implementation. In addition, creativity breeds innovation (Gundry, Prather and Kickul, 1994; Pascale, Carland and Carland, 1997; Perry, 1995; Ramsey, 1997), and bureaucratic, hierarchical organisations are less flexible, less amenable to change and less likely to empower staff (Jacob, 1995; Jeffane, 1995; Markovich, 1997; Milakovich, 1994/95). Management has to consider aspects such as teamwork, organisational culture, and staff commitment which are important to managing change (Baba, 1995; Korsgaard, Schweiger and Sapienza, 1995; Mikalachki, 1994; Uhlfelder, 1994). Rather than just focusing their attention on technical aspects, it is equally important for management to work with the human factors, to minimise resistance and aid the change process. Intervention strategies are needed to assist employees to identify and interpret their own perceptions of change, and as a result create greater personal awareness and understanding of the individual self. This personal growth and development is likely to alter an individual's perceptions of organisational change, reducing the level of resistance (Bovey and Hede, 2001).

Ford, Ford and McNamara (2002) propose three generic types of socially constructed realities that provoke resistance to change in the individual. Firstly, the employee may be complacent. This complacent background is constructed on the basis of historical success, and the employee establishes that current success will continue or be easily repeated if things are left the way they are (Hedberg, Nystrom and Starbuck, 1976; Johnson, 1988). In this regard, employees avoid making disruptive changes (Gutman, 1988). Secondly, another factor contributing to resistance is the resigned background. Resigned backgrounds are constructed from historical failure and reflect employee’s pessimism (Reger et. al., 1994). The result of a change implementation is characterised by half-hearted actions, having no life or power in them, and reflecting a lack of motivation, and an apparent unwillingness to participate (Ford, Ford and McNamara, 2002). The third cause of resistance is the cynical background, similar to the resigned background of pessimism. The individual constructs a reality of disappointment, and expects change to fail (Reichers, Wanous and Austin, 1997). A proposed suggestion to overcome these backgrounds or constructed realities is to 'reframe' the minds of employees (Dunbar, Garud and Raghuram, 1996). They have to recognise their way of thinking, and take responsibility or re-interpret the reasoning behind their negative behaviour. This acknowledgment and discovery can assist the employee to overcome constructed feelings, and open opportunities for new responses (Ford, Ford and McNamara, 2002).

Bechtel and Squires (2001) suggested tools and techniques to facilitate change. These are summarised in the table below:

Education	Education or training is the best way to initially create awareness among management, supervisors and employees.
Assigning project managers for the change	The firm should deploy project managers solely dedicated to the management of change. These individuals are generally attached to one initiative, and attend much more in-depth training, helping them to identify pockets of resistance, understand the readiness for change, map the roles involved in the initiative, create change plans, and generally act as change consultants.
Partnership with external consultants	It is rare to find an organisation that has the resources to address change across an enterprise. Sometimes external consultants are required to facilitate. The organisation should ensure that roles, responsibilities and expectations are clarified for all, and that relationships are understood.
Having a plan for change	This is to ensure success of the initiative to managing change.
Incorporating a holistic approach	This approach considers various dimensions in the organisation. The key is to manage from a high level perspective. Including awareness of other change efforts or initiatives that are occurring across the enterprise or within groups, departments, divisions, etc. There must be coordination among change managers, to ensure that activities are appropriately blended, or introduced in a timely manner. This

	approach looks at areas such as addressing people, the vision, leadership development, communications, individual and team development, and culture.
Evaluation of efforts	Accepting change is not a simple task that can occur overnight. It takes a long time for employees to adjust and accept. Constant monitoring and evaluation is required. The lessons learnt could be extremely applicable to subsequent large change initiatives as well.

Table 1: Tools and techniques to facilitate change

Adapted from Bechtel and Squires, 2001

Impact of cultural differences to Change

Authors such as Trompenaars and Woolliams (2003) offer a new approach to change. The overall core framework requires an assessment of the differences between current corporate culture and some envisaged ideal future corporate culture. But established models for change then develop a change strategy based on transforming the organisation from the current to an ideal culture. All organisations need stability and change, tradition and innovation, public and private interest, planning and laissez-faire, order and freedom, growth and decay. (Trompenaars and Woolliams, 2003; p 362). The authors illustrate four main stereotypes of culture within an organisation. These are illustrated below

The incubator	**The guided missile**
– *This culture is like a leaderless team.* – *Characteristics* • *Person oriented* • *Power of the individual* • *Self-realisation* • *Commitment to oneself* • *Professional recognition*	– *This task-oriented culture has a low degree of centralisation and a high degree of formalisation* – *Characteristics* • *Task orientation* • *Power of knowledge/expertise* • *Commitment to tasks* • *Management by objectives* • *Pay for performance*
The family culture	**The Eiffel tower culture**
– *This is characterised by a high degree of centralisation and a low degree of formalisation* – *Characterisitcs*	– *This role-oriented culture is characterised by a high degree of formalisation together with a high degree*

• *Power orientation* • *Personal relationships* • *Entrepreneurial* • *Affinity/trust* • *Power of person*	*of centralisation and is symbolically represented by the Eiffel Tower (steep, stately and robust).* – *Characteristics* • *Role orientation* • *Power of position/role* • *Job description/evaluation* • *Rules and procedures* • *Order and predictability*

Table 2: Four main stereotypes of culture

Adapted from Trompenaars and Woolliams, 2003

According to Lewin (1947), organisations are in dynamic tension between forces pushing for change and forces resistant to change. Established change management practice has stated that it is management's task to reduce the resistance to change and increase forces for change. Culture in organisations has a great impact on the success of change. Values are not artefacts that can be ignored. They are continuously created by interactions between humans. As such, culture is only meaningful in the context in which the change process unfolds (Trompenaars and Woolliams, 2003). The cultural differences are hidden, yet unifying aspects that provide meaning, direction and mobilisation that can exert a decisive influence on the overall ability of the organisation to deal with resistance to change.

This study relates to the change management aspects encountered in Distribution Centres in Australia and Singapore. The literature has identified several drivers of change in firms, issues and challenges facing firms in change management and the impact of cultural differences that may promote resistance or acceptance to change.

Methodology

This exploratory study adopted an iterative process of data collection in conducting ten case studies built on the results of a questionnaire and semi-structured interviews with twenty-three managers of Distribution Centres in Australia and Singapore. The justification for the adoption of the exploratory approach for this particular study lies in the nature of the subject area, and the set of interacting variables that influence innovation. Given that the research question is focused essentially on drivers and change for innovation in logistics, it is congruent with Yin's (2003) argument that such research, when requiring no control over behavioural events, should be carried out with case studies. The qualitative approach and exploratory nature of the research question influenced the data-collection method. This study used purposive sampling. Purposive or theoretical sampling was used as it offers researchers a degree of control rather than being at the mercy of any selection bias inherent in pre-existing groups (Mays and Pope, 1995). We have identified the drivers for change, the issues faced and their importance for successful innovation.

In this exploratory study the unit of analysis, managing change, was carefully constructed from an extensive search of the literature and our initial field studies. The research into the relationship between the drivers of change and support for organisational goals was essentially exploratory, with its main objective being the refinement of a research model to facilitate further study (Kervin, 1992). The multiple case study approach adopted allowed us to test the applicability to the 'real world' of the factors identified. This measure also helped ensure the reliability of cross-organisation and cross-site comparisons between Singapore and Australia with the use of multiple sites also contributing to the reliability of our findings (Brannick and Roche, 1997).

In investigating the issues of change management and how it enabled firms to be innovative the qualitative approach employed and the exploratory nature of the research question influenced the data-collection method. Consequently, the data was collected from senior managers at the Distribution Centres in their working environment using a short questionnaire initially and follow-up semi-structured interviews with one or more managers subsequently. Along with the capture of data rich in detail about the research problem, this also presented the flexibility to explore additional issues raised by participants. The ten firms studied have been identified as Firms A-E in Australia and Firms F-J in Singapore. The research questions explored were:

What were the drivers of change?

How did the drivers support organisational objectives and goals?

and What was the resistance to change?

An overview of the managers interviewed is shown in the following table.

Australian Firms		Sngaporean firms	
Firm	Managers interviewed	Firm	Managers interviewed
A	General Manager, Administration Manager , Human Resource Manager	F	Managing Director, Operations Manager, Human Resource

			Manager
B	Regional Manager, Human Resource Manager, Quality Assessor	G	Logistics and Warehouse Manager, Production Manager
C	Director of Operations- Australasia, Regional Manager- Australia, Director of IT- Australasia	H	General Manager
D	General Manager	I	Assistant Manager - Regional Operations, IT Manager
E	Operations Manager, Human Resource Manager, Warehouse Manager	J	Managing Director, Logistics Manager

Table 3: Overview of the managers interviewed

Findings

Upon selection of the ten Distribution Centres, it was found that all of them had undertaken some form of change within the last five years. Change for innovation came in different forms. According to Kanter (1984), change may be viewed in terms of the alteration in activities and tasks of the organisation. These may range from subtle modifications in procedures and operations (such as continuous improvement or small incremental steps); to transformational radical changes (such as rapid expansion into international markets, mergers or major restructuring in an organisation). When asked how they perceived change in the organisation, different managers gave different responses. Some of them regarded change as keeping up with technology, restructuring the organisation, improving the systems and processes, training employees to be more competent, and having improvement activities. Nevertheless, all the managers in the ten organisations portrayed a positive attitude towards change.

The findings show that eight firms (all except Firms E and J) had altered their organisational structures within the last five years to improve operations, systems and processes because of the competitive nature of the logistics industry. They needed to attain competence in the operations. Firms B, I and J chose to outsource all transportation to a third party after a few years of operations because of high costs. The managers interviewed reiterated they had to change their perspective and vision after identifying this situation. This strategy of outsourcing transportation allowed these firms to reallocate their resources to other more profitable areas of services.

Several firms faced changes that required employee flexibility and openness. They had to work outside routine job functions, perform additional duties or services beyond their job scope, so as to reduce crises, or to get the operations back on track. The production manager at Firm G gave examples where they faced an urgent situation, or when there was a breakdown in the production plant and when customers made unusual requests. This sudden change required management and employees to react positively to the market, industry or environment. Several managers reinforced that the ability to effectively implement new procedures, processes or systems requires acceptance and cooperation from all employees.

Organisational change refers to the process of continually renewing the firm direction, structure, capabilities, operations, systems and processes to serve the ever-changing needs of external and internal customers. Our findings support the view of many authors that organisations' internal activities and operations are dependent or even determined by the external environment (Styhre, 2002). Managing change enables firms to realign their operations and strategies to embark on innovation.

Vision and Mission of the firms

The first aspect investigated was the overall direction of the firm. The managers were interviewed on the company mission and vision of their firms. Managers reported the operations depended on the overall goals and direction of the firm. From there, strategies were set in line with the operations of the firm, as shown in Figure 1 below.

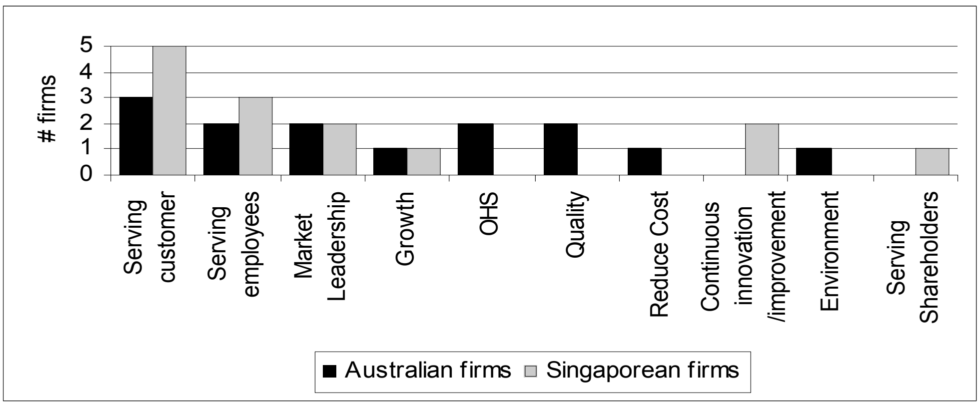

Figure 1: Organisational Mission and Vision Areas

Eight out of the ten firms' mission/vision focused on serving customers as the main priority. Others envisioned being market leaders through growth, efficiency and Continuous Improvement. The managers interviewed also mentioned organisation mission to serve their employees by training, development and in areas of quality, occupational health and safety. Two firms' missions included increasing profits to shareholders and concerns to environmental issues. The managers also pointed out reducing costs and improving quality in their operations.

From the above figure, all five Singaporean firms had customer focus as part of their company mission/vision in comparison to only three Australian firms. In addition, two firms in Singapore placed emphasis on improvements and innovation as their mission, whilst none of the Australian firms focused on this. However, there were other areas of concern which Australian firms placed emphasis on such as occupational health and safety, quality, and protecting the environment which the Singaporean firms did not target in their firm objectives. This could be due to issues of business culture or government regulation in the two countries. It was explained that the Singaporean government promotes innovation campaigns constantly, and urges firms to embark on innovative strategies more obviously than in Australia.

Drivers for Change

All ten firms studied reported recently having some form of change within the organisation. When asked the main reasons for change, managers who gave various responses were asked to rank their reasons in terms of priority. Figures 2 and 3 illustrate the reasons or drivers for change among firms in the two countries.

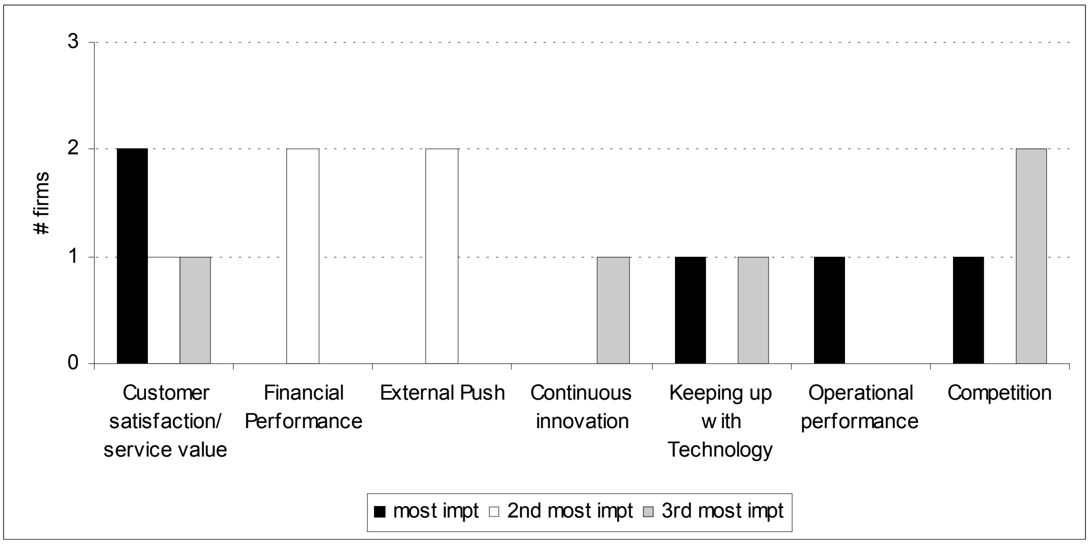

Figure 2: Drivers for change in Australian firms

The most important driver for change in Australian firms was to achieve customer satisfaction and provide better service value. Four firms in Australia found it important and two of them (Firms C and E) rated it as the main reason for change. Supporting this driver was the organisation mission/vision of Firms C and E (as shown in Figure 1). The managers indicated that serving customers was part of their overall firm objectives. There were three firms in Singapore who initiated change to provide better services for customer satisfaction. Only Firm F, out of the three Singaporean firms rated it as most important. It was also part of Firm F's mission/vision as shown in Figure 1. Firms A and D were smaller firms, and their driver for change was to keep up with technology.

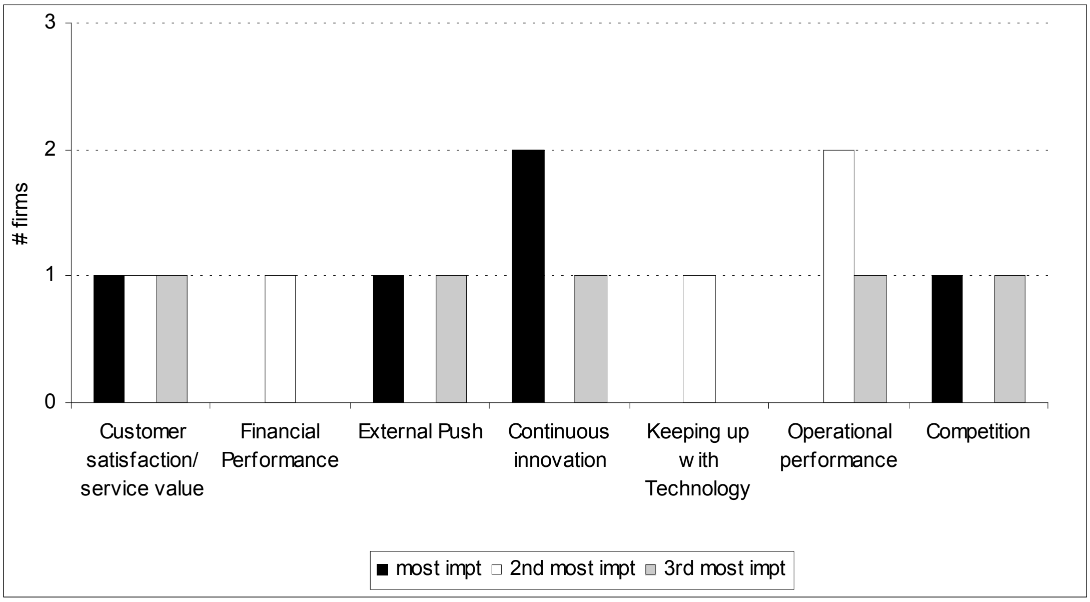

Figure 3: Drivers for change in Singaporean firms

The most important driver for change with the highest rating in the Singaporean firms was achieving Continuous Innovation or improvements. Firms G and J recently had a change in their operations for this purpose. The managers indicated that there had been a change in the organisational structure, allowing for a leaner organisation with fewer levels of authority. Employees were assigned to work in teams with a flat structure, allowing for generation of new ideas or improvements. These firms strategically had the same objectives for their company mission and vision. As shown in Figure 1 both these firms had Continuous Innovation as part of their organisation mission/vision. It can be inferred that the overall objectives of these firms had some impact for their recent project to embark on change.

Support for Organisational Objectives

Three Australian firms and two Singaporean firms changed because of competitive pressures. These firms had realigned their processes and systems, and were able to operate in a similar manner to their competitors. One of these two firms stated that to match their rival competitor, they provided same day delivery upon receipt of orders while the logistics manager at Firm J stated that this meant having longer hours of operation and sometimes working overtime at the Distribution Centre.

There were other reasons effecting change in organisations. The managers of Firms B, F, H and I indicated the need to operate more efficiently. This was the reason for one firm in Australia and three in Singapore for the importance of operational performance. By being more effective in their operations, firms can provide better value for the price of their services rendered. Closely related to this point is the drive for financial performance. Ultimately, firms want to reduce costs, and reap profits. The value improvement will lead to growth and profitability. Firms in this manner can achieve competitive advantage and customer success.

Firms A, D and F had recently introduced improved software or more modern systems with IT applications to keep abreast with the ever-evolving technology in the competitive market. The human resource manager in Firm F gave an example of where the firm needed to upgrade the accounting system. The accounting department had been using a manual system, but it had become increasingly obvious that it could not handle the pace of the firm's growth. He explained that they assigned both the computer and accounting departments the responsibility to investigate alternative options. Ultimately the accounting department proposed the change.

Another driver for change was the external push, either from suppliers, customers or corporate headquarters. Firm H recently had a reshuffle in the organisation structure because of activities at their corporate headquarters. Firm A also decided to upgrade its IT system and introduce an Electronic Data Interface system because of the pressure by major suppliers and the joint investments with suppliers to be linked electronically.

Figure 4 shows the combined overall drivers for change for the firms in the two countries.

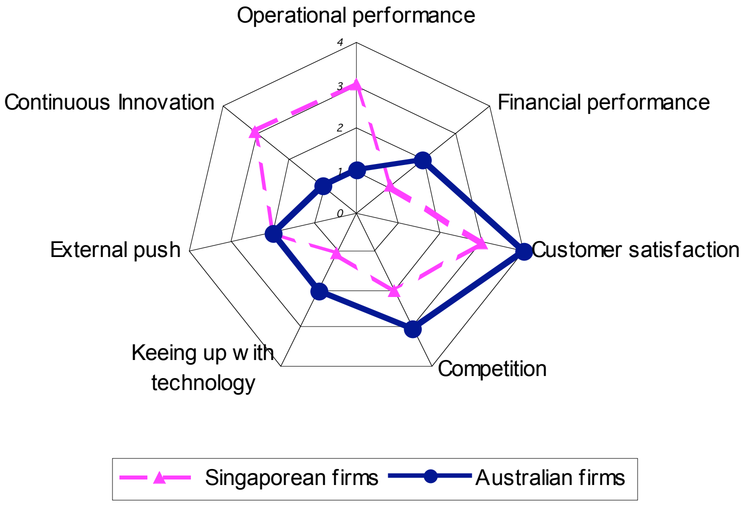

Figure 4: Drivers for change – total responses between the countries

Further analysis was conducted to see if there were any similarities between change strategies and the organisational mission and vision. The main reasons for change in Australian firms lay more towards customer satisfaction, financial performance and competition. Their organisational objectives were slightly similar with focus on serving customers but included areas such as market leadership, quality and employee well being, The focus of change in the Singaporean firms on the other hand, was more on improving and innovating, and achieving operational performance. Their organisational objectives also incorporated innovation and improvements, but emphasised more on serving their customers and employees.

The literature also states that in implementing successful change, the organisation needs to assess the current state of employees' understanding of various areas, including the mission and strategy of the firm and the degree of change being achieved, so that they can operate with a relentless commitment to innovation. Management should bring vision into action by communicating business strategies, translating them into goals and demonstrating commitment to the vision in word and deed (Church, Margiloff and Coruzzi; 1995). All the managers interviewed stated that the employees of their firms were generally receptive to changes. It took from four weeks to about three months to implement a new system or process, before the employees became familiar and proficient at managing it. Many managers referred to the changeover in software systems which required staff to undergo training and hands-on practice before fully implementing it. Similarly, Stuart (1995) found that employees are able to accept changes with adequate communication and proper training.

Resistance to change

Out of the ten firms interviewed, three firms had some 10-25% of employees in the firms resistant to change. The managers of the other seven firms held that the resistance was minimal and came from less than 10% of their employees. The general manager in Firm H said that there had to be effective leadership and strategies to minimise resistance. He explained that middle management and supervisors were trained, enabling them to be knowledgeable and skilled in handling change. Thereupon, they could be allowed to further train their subordinates. During the change implementation, senior management in Firm H often met with middle managers for their views and consideration. The managing director in Firm J stated the importance of obtaining support from all levels, so as to minimise resistance from employees. Dialogue sessions, surveys and intranet discussion were held in some of the firms to obtain feedback and minimise resistance. These comments were in line with the findings of other authors that report effective leadership requires approaches that are more likely to enhance workplace change through employee participation, motivation and commitment (Zeffane, 1996).

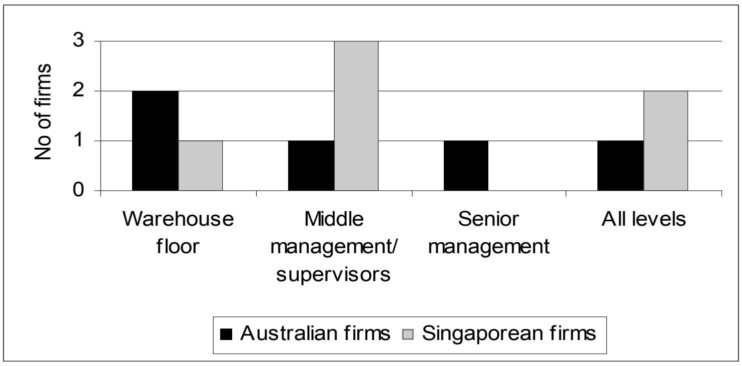

Figure 5: Resistance to change in the firms

The managers were also asked where most of the resistance came from. The findings showed that 60% of Singaporean firms faced resistance from supervisors and middle management, whereas only 20% of the firms in Australia had resistance from this level. Piderit (2000) also suggested ways to minimise resistance. She stated that employees are coming to expect involvement in decisions about organisational change. Successful organisational adaptation is increasingly reliant on generating employee support and enthusiasm for proposed changes, rather than merely overcoming resistance (Piderit, 2000). Hannan, Polos, and Carroll (2002) explored the social phenomena behind why organizations experience powerful inertia when it comes to the realization of change. These authors argue that organisations consistently underestimate the time and cost required in dealing with change-related initiatives. Rather than improvement, the result can be a vicious circle in which each new initiative strengthens the resistance to further change. Abrahamson (2000) suggests that change creates initiative overload and organizational chaos, both of which produce strong resistance from the people most affected. Marshall and Conner (2000) extend this idea further by asserting that the critical mistake often made by managers in change-related programs is to focus on the abstract process of change rather than dealing with the practical problems entailed in helping people to assimilate the changes that are required. The authors conclude that resistance to change is inevitable, that individuals express resistance both covertly and overtly, and that an emotional cycle of change resistance and acceptance should be expected and actively managed.

The resistance to change was considerably different between the two countries. This could be due to the nature of the operating environment, the employment terms and conditions, the lack of union membership in Australian firms and the low level of empowerment bestowed in middle managers especially in Singapore. This is in line with the views of authors on the existence and magnitude of resistance to change. In addition, there could be cultural differences which cause varying degrees of resistance.

Discussion

In view of the responses by managers and findings of this study, change management is considered a crucial capability for innovation to occur. Several authors such as Jacob (1995), Jeffane (1995), Markovich (1997), Hultman (1995), and New and Singer (1983) support this. Innovation requires change, and in the business environment, resistance to change is deleterious to organisations. People have to continuously adapt to change. This capability will enable firms to achieve sustainable value creation and competitive advantage (Innovation Management Incorporated, 1999). Effective managers should be aware of this by focusing on building confidence, competence and self-esteem in employees to manage change.

The main imperatives for embarking on change initiatives found in the ten Distribution Centres centred on competitive pressures and customer demand. It was discovered that the drivers for change corresponded with innovation strategies and company objectives.

The firms only faced resistance to change by the employees to a small extent, with most employees actively cooperating in procedures to facilitate change. The managers were able to overcome and manage effectively any resistance that was found. Similarly, the literature reports that organisations attempting to develop collaborative relationships with their suppliers face some implications for change. It is shown that partnering relationships constitute a major change driver for organisations. Management need to adopt a holistic and integrated approach to change, as advocated by Worley, Hitchin and Ross (1996), and the managers interviewed reported this to be the case in their organizations. Fowler (2002) maintains that the most important ingredient for successful change is employee involvement, and this proposal has been reinforced by our findings.

Various authors writing on managing change state numerous prerequisites for change to be successful including vision, mission, culture, communication, strong leadership, and participation (Mabin, Forgeson and Green; 2001). Resistance to change is acknowledged as being a fundamental block to change and a prime reason why change does not succeed or get implemented. Resistance to change is ubiquitous in nature. It can be defined as an expression of reservation that normally arises as a response or reaction to change (Block, 1989). Managers should view resistance to change as a positive factor. The analysis and reasoning provide alternative ideas for consideration. A wider set of people involved in the evaluation of alternatives may overcome the problem that many managers have of failing to consider or evaluate properly enough alternatives (Mabin, Forgeson and Green; 2001).

The study reported in this paper has shown that logistics firms embarked on organisational change for a variety of reasons. The differences may be due to relative differences in the organisational type and structure between the two nations, government push for innovative campaigns, health and safety regulations, or the experience in logistics and greater exposure to international markets. Some of the imperatives for change supported overall objectives and there were successful implementation. But most importantly the challenge lies in managing and minimising resistance from employees. The findings show a stronger resistance in middle managers in Singaporean firms than their Australian counterparts. Either way, the outcomes suggest that logistics firms in both countries make efforts to excel in their operations to support innovation and remain competitive.

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