

*“Correlation between Organisation Strategy and Change
Management Initiatives”*

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Authorisation Declaration

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of BA Honours in Human Resource Management is entirely my own work and has not been taken from the works of others save and to the extent that such work has been cited and acknowledged within the text of my work.

Signed Maire ni Mhuirneacháin

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Abstract

This research document investigates the correlation that exists between change management strategies and an organisation's strategy, while also considering the extent to which they are related and the influence they have on each other. This is set to the pretext of an organisation that is going through change in the form of a restructuring programme which has been influenced to some extent by the economic global recession.

A literary review into change management and managing an organisation through a recession has been conducted to gain a better theoretical foundation on the topic in question. This review has shown that organisations need to concentrate on growing and developing its enablers of change, such as flexibility, focus and collaboration, before it considers implementing change initiatives.

Research has been conducted on an organisation that has implemented change initiatives, and which has revised its organisational strategy during the period January 2007 to December 2009. This time period was chosen because it means the organisation is looked at from the pre-recession perspective (2007), and then considered from the viewpoint of an organisation that is making changes which have been influenced by external environmental pressures of change imposed by the global downturn.

The research document finds that the correlation between an organisation's strategy and its change management strategies is a strong interdependent one, and recommends that organisations should not forget that the ultimate success of the organisation depends on how integrated its organisational strategy, its enablers of change and change initiatives are.

The research document also recommends that further in-depth academic research needs to be conducted into the area of organisational change during a recession. More assistance should also be made available to organisations who are facing difficulties, such as the giving of advice and guidance on what strategies could be implemented that would help them navigate their way through tough times.

Preface

Many countries have found themselves in an unprecedented economic position over the last five years and have had to introduce measures to help them cope with the challenges and difficulties this economic downturn has brought with it. Some economies struggle to manage sovereign debt in a manner that will reduce the need to seek external sources of finance. Others concentrate on building stimulus packages that promote growth and economic development to rebuild the country's economic financial status, while other economies have found themselves at the mercy of foreign investors who have brought with them stringent and sometimes harsh, terms and conditions when offering financial assistance and guidance.

The economic pressures and the global financial downturn that many governments face have also had an effect on many businesses globally. Many organisations have also had to implement measures around crisis management to enable the organisation to survive the harsh conditions that the economic environment has placed on it. They have found that they need to re-evaluate their place in the market and build a strategic plan that will allow the organisation to not only survive, but also take advantage of potential opportunities to remain viable. For other organisations, however, the mere idea of implementing survival techniques and strategies aimed at maintaining a customer basis form the basis of their re-evaluated strategic plan. Other organisations have found themselves in a position where a merger or a take-over is their only way out of the financial crisis they face.

This research document uses this pretext as its primary motivation and is based around how an organisation operating in this environment responded to externally imposed challenges and the difficulties associated with a global recession.

Introduction

The research document will investigate the correlation that exists between change management strategies and an organisation's strategy, while also considering the extent to which they are related and the influence they have on each other. This will be conducted to the pretext of an organisation that is going through change, or a restructuring programme, that has been influenced to some extent by the economic global recession.

The research document objectives are to establish how an organisation which was operating in a volatile economic environment and that had externally induced pressures placed on it responded to these challenges. The approach an organisation took, whether it was implementing change, whether it responded to challenges on a reactive or pro-active basis, if the change strategies it did put in place were directly or indirectly related to its organisational strategy and if these responses were successful or not are all aspects that will be considered.

In order to achieve these objectives and aims, the author will need to follow the sequence of investigation outlined below:

- ❖ Conduct a literary review of the area of change management during a recession and explore core competencies an organisation can build on or grow that will help it to implement a successful change management strategy.
- ❖ Closer investigate the research questions through the utilisation of a combination of research methods, including surveys and longitudinal case study examination. This will be done using the organisation's own published financial information and strategic plans, sourcing media publications and newspaper articles that relate to the organisation and the conduction of a descriptive survey of the organisation's staff.
- ❖ When the research has been conducted, the data will be analysed with a view of building a case towards answering to the research question. The data will be evaluated and closely examined and compared and contrasted with to ensure that conclusions section has a sound foundation.
- ❖ The conclusion section will aim to present an answer to the research question, which has been formed on the basis of the data presented in the research document.

- ❖ The final phase will be to make some recommendations that organisations could adopt when considering organisational strategy re-evaluation and implementation of change management strategies.

Context

In order to achieve the research document aims and objectives, the document will firstly narrow the research field by focusing on one particular industry. This will be the pharmaceutical industry. The pharmaceutical industry was chosen because of its natural tendency to touch every sector of the community, every community in a country and every country in the world. People will, and always have, the need for medicines and healthcare products that improve the quality of life of people. This has led to an ever-changing industry which is driven by developing new and improved products.

This industry has also had a significant impact on how economies grow and develop. In Ireland alone, the pharmaceutical industry was responsible for 40% of its exports in 2009. Any adjustments made to the industry on either a global or local level will have knock-on effects for the Irish pharmaceutical industry, and impact significantly on its live-register rates, its social welfare systems and its export industry.

The research document will further narrow the scope by choosing one particular pharmaceutical organisation that operates on a large context. The organisation which will be in the spotlight will be the large, long-established and multinational organisation GlaxoSmithKline (GSK).

GSK has a long history in the pharmaceutical industry and can be traced back to the 1700's. It has grown from a company that had one pharmacy based in London in 1715 to a business that now researches and develops a large global portfolio of prescription medicines, over-the-counter medicines, nutritional healthcare drinks and consumer products.

GSK was also chosen because of its ability to grow and adapt to its environment. Being founded back in the 1700's has given the organisation a significant amount of practice in dealing with many economic conditions and financial pressures imposed by external environmental factors.

This organisation has its headquarters in the UK with facilities in Europe (including four plants in Ireland), USA, Canada, Mexico, Central and South America, Caribbean, Asia and Australasia, Africa and the Middle East.

It is the ultimate multinational organisation.

Literature Review

Introduction

The research document aspires discover what correlation exists between change management strategies and an organisation's strategy, while also considering the extent to which they are related and the influence they have on each other to the pretext of a time of change, namely the crisis that is the global economic recession that has been influencing how many organisations work since mid-2008.

With this in mind, the aim of the literature review is twofold:

1. To review literature in the area around the subjects that relate directly and indirectly to the dissertation research topic.
2. To develop an understanding of how organisational strategy, change management initiatives and a recession can affect how an organisation performs during a time of change.

In order to meet these two aims, it was the intention of the author obtain and review literature in the area of change management initiatives that could be implemented during recession and to obtain and review literature on how change management initiatives can affect an organisation's strategy.

Upon conducting research into the area of change management during recession, it became apparent that sourcing literature in the specifics of this subject would not be as clear-cut as initially anticipated. It emerged that the best source of information on this specific topic was to be found in literature and articles which primarily focused on advice given to organisations on what they should concentrate on during a recession in order to help them survive the crisis.

Sourcing literature relating specifically to how change management initiatives can affect an organisation's strategy also posed a difficulty. Articles and writings on this area which were obtained were primarily based on case studies and in particular on how specific organisations responded to pressures associated with change.

The literature review, therefore, has taken on a more holistic focus of the areas of change management initiatives, change, recession and organisational strategy.

This holistic focus has highlighted that in order for an organisation to respond to a crisis they must concentrate on three primary enablers to change. These enablers to change have been identified as Organisational Flexibility, Collaboration and Organisational Focus.

Within these areas the literature highlighted change management initiatives that organisations could implement which would help them to grow and develop these enablers to change. The initiatives were described and discussed further by looking at what the authors' viewpoints were on these strategies and how best to implement them in an organisation that is facing a financial struggle.

Enablers of Change

The literature review has revealed that many authors have a propensity to agree similar enablers of change and change management strategies that can be implemented to counter the effects of a recession. These initiatives fall under the same school of thought, despite the fact that they may be given differing titles. This is because many of them tend to reflect similar ethos and concept in their construct and are all set to the same backdrop, that being the ability of an organisation to respond to crisis that induces change, and how this response can affect the longevity and ultimate survival of the organisation.

The research topic is set to the milieu of the global recession, or economic crisis, which has hit many economies since mid-2008. A crisis has been describe by many authors, however the description of a crisis by Roux-Dufort (2000, p. 25-30) as “a process of transformation induced by a major disruption that forces the restructuring of social, human and natural systems” best outlines what happens during a recession and how this can impact on many sectors of the economy. Kim (1998) goes further by identifying a crisis, in terms of an organisation, as being one of two distinctive types. The first type is a crisis that has been stimulated by the organisation itself in order to promote change, and the second is one that has been brought on by external forces, such as markets, regulation and technological improvements.

In the context of this research document, the crisis referred to is the latter type. This is a crisis induced by external factors, primarily the financial and economic decline which came about as a result of the collapse of global financial institutions and the ensuing repercussions of such a fall for many employers.

How organisations responded to this crisis has been debated and discussed by many authors. Pant (2009) has noted that many organisations are reacting to the crisis in the traditional fashion, which includes cutting costs across the board, relocating to a cheaper economy and holding off on launching new products. Many authors argue that if the organisation is to survive a crisis, they must concentrate on building and developing their organisational enablers to change. They argue that these enablers to change, along with change management initiatives and smart financial management, will help the organisations to navigate the period of change and emerge as a stronger

more experienced organisation, one which has an increased market share and developed its overall profit making potential.

Enabler of Change - Organisational Flexibility

The first enabler of change which an organisation can develop to help it respond to a crisis is its Organisational Flexibility. Anell & Wilson (2000) have describe a Flexible Organisation as an organisation that has the capability to be able to recognise warning signs that indicate the potential need for change and to be able to respond quickly and appropriately to these signals. The literature review has shown that Organisational Flexibility is not a new strategy. Authors as far back as 1965 have been considering the importance of Organisational Flexibility, such as Ansoff (1965) advising managers of the need to have flexibility and adaptability built into their strategic planning systems, while more recently Storey (1994) remarked on how smaller businesses have the ability to grow and succeed due to their active change strategies.

Determining features of a Flexible Organisation, according to Anell & Wilson (2000), are:

- a Senior Management team that promotes flexibility and who have the skills set to allow them to be able to identify the signals for change.
- the aptitude to be able to choose the correct strategy that will allow the organisation to utilise its resources to meet the challenges which come with change.
- an industrial spirit that drives the implementation of the proposed change management strategies.
- access to the correct resources at the appropriate time.

A flexible organisation can use this enabler to change to help them implement change management strategies which will help it to survive and respond directly to crisis. Some change management initiatives, promoted by a flexibility ethos, that can be considered are Defend or Attack Initiatives, organisations' ability towards Agility and Absorption and Organisation restructure.

Defend or Attack

According to the literature, a successfully flexible organisation will be able to accurately assess the crisis at hand and be quick enough to be able to decide an appropriate response strategy. Flexible organisations that are facing a crisis brought on by external markets will have to decide if they are going to respond to the crisis by reacting in a defensive manner or proactive manner. In the article 'Looking forward in recession: Turning threat into opportunity' (Emerald Group Publishing Ltd 2009), the author has remarked on the importance access to resources can have on whether the organisation opts for a Defend or Attack Approach. Organisations whose access to resources may be limited at the time the crisis strikes may have to adopt a Defend approach. These organisations may have no option but to preserve their precious limited resources rather than speculate with them. They adopt flexible methods that will help to reduce the impact of the crisis and, in essence, batten down the hatches and hope that their flexibility will be enough to allow them to weather the storm.

On the other hand, should the organisation be in better position vis-a-vis access to valuable flexible resources, they may opt for the Attack approach. The organisation may well decide to flex their corporate muscles, attack weak and vulnerable competitors with the view of removing them from the market and exploit new markets and opportunities.

Agility or Absorption

Other literature advises change management initiatives that look at the organisation's ability to be agile in a crisis or its ability to be able to absorb blows thrown at it by a crisis. Sull (2009) has referred to flexibility in this context.

Sull (2009) describes agility as the organisation being flexible enough to remain ahead of the competition by being permanently on the lookout for potentially profitable business prospects and to be able to seize these opportunities before rival organisations do. The author also identifies three approaches an organisation can adopt which will help it to accomplish and agile flexibility:

1. Operational - Have a working business model in place that is permanently focused on the discovery and seizing of opportunities before competitors.
2. Portfolio - Be able to move organisational resources fast enough away from non-profit making products or enterprises into products or businesses that has more of a potential for probability.
3. Strategy - Be able to anticipate business changing opportunities and capture them as they occur.

An absorptive organisation on the other hand has been described as being flexible enough to be able to absorb blows and shocks thrown at it by competitors through the utilisation of buffers such as organisational size, diversification, low fixed-costs and a high consumer switching costs. When rivals have exhausted from the consistent competitive strategic blows it throws at the organisation, it is at this point that the organisation strikes back at its rivals with its own competitive strategic punches and takes a hold of a significant share of their market and customers.

Again, Sull (2009) has noted that this can be achieved by implementing strategies such as:

1. Having tangible resources that can be liquidated when necessary, such as land and raw material.
2. Having intangible resources that are difficult to copy or imitate, such as a strong brand name or knowledge workers.
3. Being part of a large corporation which has significant buying power and overall market share.
4. Selling a product that would lead to consumers paying high switching costs should they move to a rival product.

Sull (2009) has observed that an organisation that is flexible enough should be able to find the right balance between Agility and Absorption, Agile Absorption.

This approach means that the balance shifts from one approach to the other depending on the circumstance. An organisation which is being attacked by competitors should be able to rely on its buffers to protect it from serious damage, while at the same time implementing an already well developed strike strategy that the rivals will not feel

until they tire. How an organisation manages these two elements of flexibility will help with the successful implementation of successful change management initiatives.

Organisational Restructure

Another change management initiative that a flexible organisation can decide to implement is to reorganise its structures. It should be noted that a Defend / Attack Approach or Agile / Absorption Approach to a crisis is implemented as a response to competition, an organisation can inadvertently alter their organisational structure.

Zand (2009) notes, that an organisation which has been performing well during the good times may have downgraded their strategy renewal process to the back boilers, and now faced with a crisis, may have to make dramatic changes to their organisational structures.

Whether the restructuring is as a result of a direct restructuring approach or as a consequence of another change management approach, the literature has highlighted that it must be aligned (or realigned) with the organisational strategy.

A case study in the literature has shown the benefits of implementing a restructuring strategy through the utilisation of organisational flexibility. Zand (2009) has examined how the Wyler Oil Company used the organisational flexibility enabler to change to respond to a crisis and how its restructuring transition, which was completed in a short period of time, was achieved by being flexible enough to embrace the new structures. The case study also showed that the organisation, while focused on the change management initiative of restructuring, did not forgetting the importance of the realignment of its strategy and structures, which in turn lead to an organisation which thrived as a consequence of restructuring.

The literature review has shown that an organisation must develop its flexibility if it is to survive a crisis before it can implement change management strategies. An organisation which forgets to develop its flexibility as an enabler to change will have difficulties in implementing future change management strategies.

Enabler of Change - Collaboration

The second enabler of change highlighted by the literature review is Collaboration. Collaboration has been referred to in several manners such as communication or partnership, however the overall ethos behind all of these guises are similar. Organisations that do not have communication or partnership systems already in place need to implement same. Organisations that do have them in place need to develop their systems further in order to gain as much benefit from them as possible.

In the article 'Looking forward in recession: Turning threat into opportunity' (Emerald Group Publishing Ltd, 2009) the article highlighted a case of where collaboration worked for Cisco when the CEO John Chambers embraced a more collaborative ethos by developing working groups and boards. These groups were collectively responsible for helping the organisation to resolve issues on a quicker and more flexible basis while also allowing the organisation to consider solutions to several issues at the same time.

The article also shows how MasterCard embraced the culture of collaboration. The organisation developed a global network which was given responsibility for market place research into areas such as what customers were buying, what technological developments were on the horizon and how business' were spending. This information then fed into MasterCard's strategic planning system which allowed them to plan for future dips and highs in the credit card market place.

Both organisations were proactive in their focus and became more flexible as a result of their collaboration strategies, thus putting them in a better position to respond to externally induced crisis.

To get the most out of the collaborative enabler to change, the literature reviewed has highlighted the below change management strategies that can be implemented:

Work closer with outsiders

This includes customers, suppliers and regulatory bodies. Or as Rigby (2001) put it, "make friends with others who are trapped in the same foxhole". Developing these partnerships is important to the organisation, after all without customers or suppliers

or regulatory or government support, the organisation would cease to exist. An example of an organisation working closer with outsiders is developing a repayments system that allows the organisation to pay its suppliers and allows its customers to their debts. Growing and developing relationships with outsiders will go a long way towards the growth and development of the organisation while also helping to build loyalty between the organisation and its outside parties.

Develop Systems and processes that allow cooperation between organisations internal stakeholders

Carlisle (2002) has acknowledged the importance of having Knowledge Workers involved in the development processes of an organisations strategic position, as supported by Shaw, Hall, Edwards & Baker (2007). The authors note that because Knowledge Workers have an impact on a wide variety of sectors in an organisation, their input into the strategic development systems, including ideas generating, will help to build collaborative ownership of initiatives that are developed and are proposed for implementation. Organisations must establish a two-way communication system that allows for seamless exchange between employee and employee and between employee and employer.

Internal Communication

Collaboration, as an enabler to change, will play a vital role in implementing an internal communications system, particularly for organisations who are dealing with other change management strategies that may result in adjustment for its employees. Sutton (2009) has highlighted the importance of communication and collaboration within the organisation and has identified that internal communications should be developed on four bases:

- (a) The organisation will need to provide as much information to its employees as possible about imminent changes. This will allow the employees to prepare for the impending changes so they will suffer less when the time comes.

- (b) Employees need to understand why the organisation will be implementing the outlined strategies. They may not like the reasons behind why the change management initiatives are being implemented, however, they will be less likely to react negatively when the changes are being put into practice.
- (c) Even though employees may not be able to control the reasons behind the needed change management initiatives, organisations should develop systems that allow the employees to control a degree of how and when the change initiatives will commence. An example could be giving time off to attend interviews to employees who are earmarked for redundancy.
- (d) When delivering bad news to internal customers, the organisation should adopt a level of compassion. This could be in the form of adopting the view point of the employee and understanding their fears and anxieties around the change being introduced.

Employee commitment

An organisation that is going through a crisis, particularly a financial crisis, where downsizing and redundancies are strategies that the organisation may need to implement, will inadvertently effect its employee commitment and their psychological contract. Organisations must manage the psychological contract if they are to maintain a high degree of employee commitment. Hiltrop (1996) highlighted the importance of psychological contracts in her article 'Managing the changing psychological contract'. It was McDonald and Makin (2000) however that refined the relationship between the psychological contract, employee commitment and job satisfaction of temporary staff. Organisations that are intending on implementing alternative work patterns or reducing the working hours of staff will now have a new category of employee they may not have already had, temporary or part-time staff. The organisation must consider how the change initiatives will affect the productivity, motivation, organisational commitment and job satisfaction of their now temporary or part-time employees. They must also look at how initiatives have altered the expectations of their temporary or part-time employees of them as employers. The psychological contract of remaining and full-time employees will have also changed,

along with their levels of productivity, motivation, organisational commitment and job satisfaction.

It is of critical importance that the organisation develops a deeper understanding of the finer details of the psychological contract and how it can effect organisational commitment.

The literature reviewed has shown the importance of collaboration in all its forms. Change management initiatives need to be implemented correctly, and the use of collaborative and partnership systems will help the organisation to carry them out.

Collaboration plays an essential role in ways an organisation can enable change to occur on a positive and meaningful manner. It is not until an organisation is facing a crisis, particularly one which is driven by a recession, and it is attempting to implement change management initiatives that it needs to survive that crisis, that it will understand the meaning behind having a collaborative ethos in place.

Enabler of Change - Focus of the Organisation

The final initiative that has been highlighted by the literature review is the area of the business focus. The business focus an organisation will be specific to each organisation. Below are some initiatives that an organisation could implement in order to help it focus on specific strategies that will enable it to change and respond to a crisis.

Diversify or focus on Core

This change management initiative has been a point of argument with several authors; some encouraging organisations to focus on its core and concentrate on what it is good, while others maintain that organisations should diversify. Some, like Rigby (2001) in his article on 'Moving Upward in a Downturn', outlines the importance for an organisation to concentrate on its core competencies and to avoid diversification into areas that they are either not strong in or may not have worked in before. Contrary to this advice, Pant (2009) recommends organisations to enter uncharted waters and to seek out new opportunities. The divergence in tactics by the authors around the focus of an organisation during a recession may be down to the fact that the authors' articles are separated by an 8 year span and the economic conditions organisations now work under differ from those conditions of 8 years ago. Whichever tactic an organisation decides to take in terms of their focus, it should be noted that whether the organisation decides to enter a new market or focus on its core business, as outlined by Rigby (2001), their ventures should reinforce the organisations core business area, make it strong and develop it so that it is the best in the industry.

Acquisitions

The literature review recommended that organisations should consider the acquisition of organisations during a recession. Rigby (2001) advises that organisations should "shop for bargains" and acquire businesses that are in a similar product line as their own and those which will strengthen their own core business, thus helping to reduce risk associated with acquisitions during recession. Gulati, Nohria & Wohlgenzogen

(2010) seems to agree with Pant (2009) in terms of their approach to organisational focus and diversification during a recession. These authors' advice to organisations is that to become a progressive organisation, they should enlarge their business through investing in new markets, while also maintaining an investment focused eye on its own existing businesses. Again, the approach to acquisition seems to depend on the focus of the organisation, whether it decides to concentrate on its core business or it decides to diversify into new areas. All the articles, however, advise organisations to take advantage of bargains, and to acquire property, plant and equipment at the now recession depressed prices.

Contingency Plans

Having a contingency plan developed that can be implemented when the demand arises is another change management strategy an organisation can focus itself on. The development of contingency plans, however, seems to be another area of contention between authors in the area. Rigby (2001) argues that an organisation should have been focused on developing contingency plans when the organisation was going through good times and that contingency plans are best compiled during times where the business partners are freer to consider creative and broader ideas to resolve potential bottlenecks. He claims that when an organisation finds itself in the middle of a recession it can be difficult for the business partners to come up with new and inventive methods to promote business. This, he maintains, is because they are busy with fire fighting and they are suffering from stress associated with running an organisation facing financial difficulties. He goes further by saying and that the strategic focus of developing contingency plans during good time should be built into the ethos of the organisation's decision making and strategy planning process.

In the article, "Looking forward in recession" (Emerald Group Publishing Ltd, 2009), the authors agree with Rigby (2001) when saying that contingency plans are needed during recessionary times. They refer to them as an organisational reaction to the unpredictability put before it by the crisis at hand and developing scenario plans as a counter attack. The article acknowledges that even the best laid plans can become unusable during a crisis and that the organisation may need to respond to this as quickly as possible.

The focus an organisation has towards its business will depend on whether they have a bank of contingency plans they can draw from when a crisis hits, or whether they tend to compile contingency plans as a the need arises, particularly as a response to a crisis. However, as has been highlighted, even the best arranged strategies can be turned on its head by a crisis and the challenge of implementing contingency plans during an ever changing economic landscape remains.

Investment

Investments and their focus in terms of acquisitions have been discussed previously. The focus of investment in this context is whether an organisation should continue to invest in Marketing, Research and Development or Quality Control at all during a crisis. Pant (2009) has discussed the need for organisations to continue to invest in creativity in his article “Winning strategies in a recession”. Here he notes that many technological advancements were made during times of recession for example the development of the PC by HP during the depression of the 1930’s in the USA. He recommends that an organisation should continue its investment into its Research and Development area in times of crisis, and that the organisation should look towards improving the quality of its products so as to increase their value to customers.

Gulati et al (2010) observe that an organisation that is implementing a strategy that is too defensive in its focus, which cut costs all-around, particularly in areas such as Research and Development, Quality Control and Marketing will lead to an organisation which is driven to aim low. This will in turn result in lower quality products, which consequently affects their customer base. They also note that a strongly defensive approach that makes all-round cost cuttings and places a reduced focus on innovation and creativity that is indicative with Research and Development and Marketing will lead to negativity seeping into the organisation. Gulati et al (2010) also warn against an approach that is too aggressive, particularly in terms of the promotion of innovation and creativity as this can lead to an over enthusiastic positive groupthink infiltrating the organisation and creating a false sense of security.

Utilising organisational focus as an enabler of change will help the organisation going through a crisis because it helps it to concentrate on a specific goal or aim. This goal, or aim, whether it is investment, diversification or core competencies driven, will help to create a focal point for a struggling organisation.

Conclusion

The literature review has identified change management in terms of enablers of change and how these can affect the productivity and longevity of an organisation. The author expected that the literature review would take the structure of listing change management initiatives that organisations in the middle of a recession could implement that would take them through the crisis. Building the literature review on the basis of enablers to change and then on change management initiatives was an unexpected result.

The literature review has also highlighted several key observations:

Firstly, obtaining literature into the area of change management during recession was not as clear-cut as expected. The author had to resort to obtaining information on change management initiatives during recession from literature and articles which was more aimed at advising organisational management on what they should concentrate on to make their way through a crisis.

Also, finding literature relating specifically to how change management initiatives can affect an organisation's strategy was not as straight forward as anticipated either. Again, the author had to obtain this information from articles that were focused on case studies.

This concluded that, in the opinion of the author, the difficulties associated with sourcing specific literature material was due to the fact that research topic is set during a relatively new and unique global economic downturn and not much published research has been made to date.

The second observation was that organisations should concentrate on growing and developing their enablers to change if they are to successfully steer their way through a crisis. How developed these enablers are will be the key to how successful an organisation will be when implementing change management initiatives. An organisation that put into operation change strategies as a reaction to crisis on underdeveloped enablers to change, or core competencies, will not reap the maximum benefits of these strategies.

And finally, the third observation is that change management initiatives that can be implemented can vary from uncomplicated strategies, such as managers employing compassion when interacting with employees, particularly when giving bad news, to strategies which may be more complex in nature, such as re-organisation of business structures. What an organisation does to respond to crisis is dependent on the focus, flexibility and collaboration it has and the degree to which these are developed and integrated into the systems and processes of the organisation.

Looking at the literature obtained on a more holistic basis has helped the author to gain an overall picture of what organisations operating during a recession have had to put into practice to help them survive the storm.

Research Methodology

Methodology

In order to answer the research questions around change management initiatives, the correlation of organisational strategy and organisational change during a recession, both quantitative and qualitative research methodologies will be utilised.

Quantitative methods

(a) Economical Statistical Information (Ireland)

Because of the significant impact the pharmaceutical industry has on Ireland and on Irish exports, a picture of what the economic and social environment of Ireland was during the period 2007 and 2009 will be built from statistical data relating to this period. Some of this data will be obtained from two primary sources, the first is The Irish Central Statistics Office (CSO) and the second is The Economic and Social Research Institute (ESRI). The CSO has been charged with the responsibility for recording Irish official statistics and falls under the opuses of the Department of the Taoiseach. However in order to maintain the validity of the data obtained, the CSO conducts their statistical compilation on an independent basis. The data that will be obtained from the CSO will be information on unemployment rates, average weekly salary of employees in Ireland, and the rate of inflation during the period of 2007 and 2009.

Data will also be obtained from The Economic and Social Research Institute (ESRI), which is one of Europe's largest research bodies in the areas associated with the social sciences. The ESRI conducts research on a wide range of topics, such as education, energy, immigration and labour market, to name a few. The data that will be sourced from the ESRI will be information detailing as much as possible what the perspectives of employers and employees are of change that took place in the workplace during the period of investigation. Where necessary, a comparable may be used in order to give a clearer picture of the extent of change that has taken place.

Combining the data sourced from these two areas will build an economic and social picture of what Ireland was like to work in from both an employee and employer perspective. It will also help the reader to understand the primary concerns of Irish

employers and employees during this period and how both responded to economic pressures placed on them.

(b) Analysis of Organisational Financial Data

This will consist of the examination of the financial data of the investigative organisation, GSK. The financial data that will be considered will be again set between the period 2007 and 2009. The data that will be looked at will be information on the organisations share price, profits, expenditure on pay, and in particular data on any significant investments made, such as acquisitions, new products or research and development.

The data will be sourced from either the GSK's strategic reports or from separate financial account documents. It is hoped that obtaining this information will not be too problematic because the organisation in question is such a long established and well known organisation.

This data will help to build a picture of the GSK's financial status before the onset of the economic downturn of mid-2008 and what it was like at the end of 2009. It will help to give a clearer picture of whether GSK's change strategies had any fiscal implications. A picture of what it considered important in terms of investments and expenditure, the extent to which the recession affected its share price and how it responded to the social and economic pressures put on it by the changing economic climate will be seen.

This information will help to show GSK's global financial stance. In order to be able to put the implications of GSK's global strategies into an Irish context and to help build a picture of the impact these strategies had on the Irish pharmaceutical industry and its workforce in Ireland, a breakdown of their Irish Financial Statements will also be conducted on the same basis.

These quantitative research methods will work alongside the qualitative methodologies to answer the research question.

Qualitative methods

The qualitative research methodology will consist of looking at GSK from three perspectives, one is the organisation's own view of its objectives, the second is a journalistic perspective of the organisation and the third is from an employee's viewpoint.

(a) Longitudinal case-study

This research methodology will concentrate on how GSK responded to external pressures associated with the global economic downturn, but specifically during the time frame of 2007 and 2009. The research method should be able to establish if any significant changes took place in the organisation during 2007 and 2009 and how the organisation explained these changes. Information on what GSK's organisational strategy is (and if it differs from previous year's strategic position), if it has outlined any specific responses to economic pressures, what its enablers to change are, if it intends to use these enablers of change in its change management approach and the alignment of the organisations strategic position with its intended change initiatives will all be considered. The bulk of the information will be hoped to be accessed from studying its 2007, 2008 and 2009 strategic plans and from press releases which relate to how the organisations intended to responses to the global financial and economic crisis.

Obtaining sources of data for this part of the research should be achieved with little difficulty. As previously outlined, GSK is a large multinational and long established organisation, and therefore should have no difficulty in making its strategic plans available to the public.

The next phase of the longitudinal case-study will consider GSK from an Irish social perspective. This information will be obtained from media and journalistic publications. It is hoped that this information will give an Irish national view of the GSK's change management initiatives and how it affects communities at local level. Also, these articles will help to establish whether GSK is in fact implementing its suggested responses and strategies.

Obtaining the data for the latter phase of the longitudinal case-study may pose a minor difficulty. This could come from the fact that many newspapers and academic

journals may not make their historical publications available without a charge. However, it is hoped that this will not cause too much of a blockage to the research.

The final perspective of the qualitative research methods will come in the form of a descriptive survey.

(b) Descriptive Survey

The descriptive survey will be conducted at local level, and will concentrate on GSK's Irish branches. Participants will be asked their views on how they feel the organisation faced the recent crisis. They will be asked how familiar they are with GSK's strategic position, questions around their awareness of the difficulties facing the organisation will also be considered and their understanding of the reasons GSK implemented new strategies will also be looked at.

This survey will hope to paint a picture of GSK from its Irish employees' perspective. It will go towards the establishment of how successful GSK was communicating its strategic position, the success of the implementation of its strategic plans on an Irish basis, and how successful it was at aligning its strategy with its change management initiatives. Awareness is the key word which this survey will be looking at.

Obtaining this data may pose a major blockage to the research document. The first issue that the author may face is the obtaining permission to conduct the surveys. Should this permission be forthcoming, the next issue that may be faced is willingness of participants to partake in the survey. The completion of surveys, return of the completed surveys and the quality of the information provided may all also pose a blockage for the accurate obtaining of the information needed.

These research methodologies will give a holistic view of what correlation there may be between organisational strategy and change management initiatives. The information provided should be able to highlight what responses an organisation operating in a recession took to pressures placed on it by a global downturn, how effective its strategic responses were and if the organisation had successfully realigned itself with the new social and economic environment it operates in.

Findings

Findings

Quantitative methods

(a) Economical Statistical Information

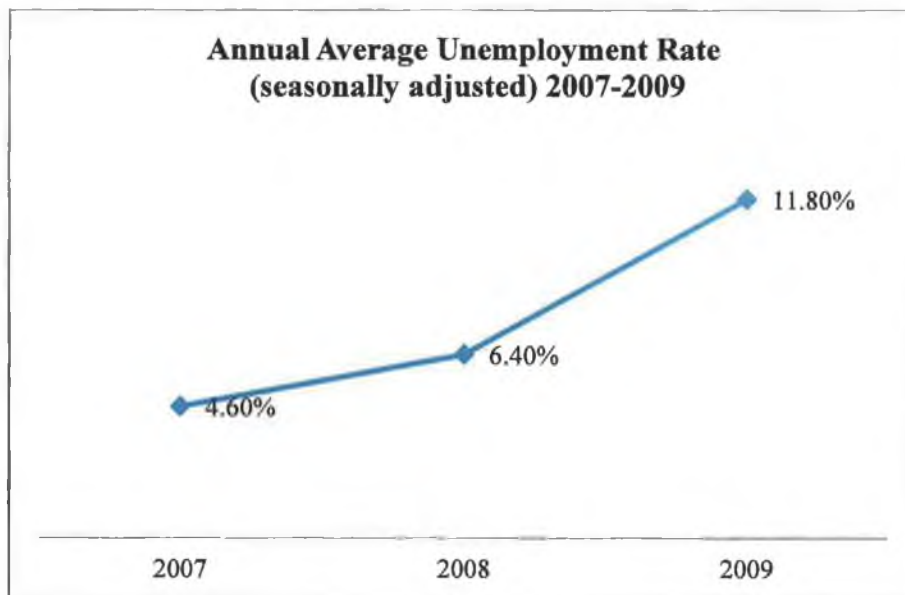
Both the ESRI and CSO were examined with the aim of obtaining information and data on what the social and economic environment of the Ireland was like during the period of investigation.

The information sourced from the CSO was data on the Irish unemployment rates, the average weekly wage of employees in Ireland and the Irish Consumer Price Index. This data represents a period extending from 1998 to September 2010, however, the relevant data for the period under investigation will be extracted and represented in qualitative and graphical terms.

The ESRI provided information in the form of two recently published surveys conducted by the National Centre for Partnership and Performance in Dublin. These surveys report on the changes that have taken place in the Irish workplace since 2003, when comparable surveys were conducted. The outcomes of the surveys are compared with the results obtained from similar surveys of 2003. The two surveys that were conducted were looked at from the perspectives of both employers and employees and were a valuable source of information into what employers and employees considered important to them during the period of the Irish recession.

Annual Average Unemployment Rate (Seasonally Adjusted) 2007-2009

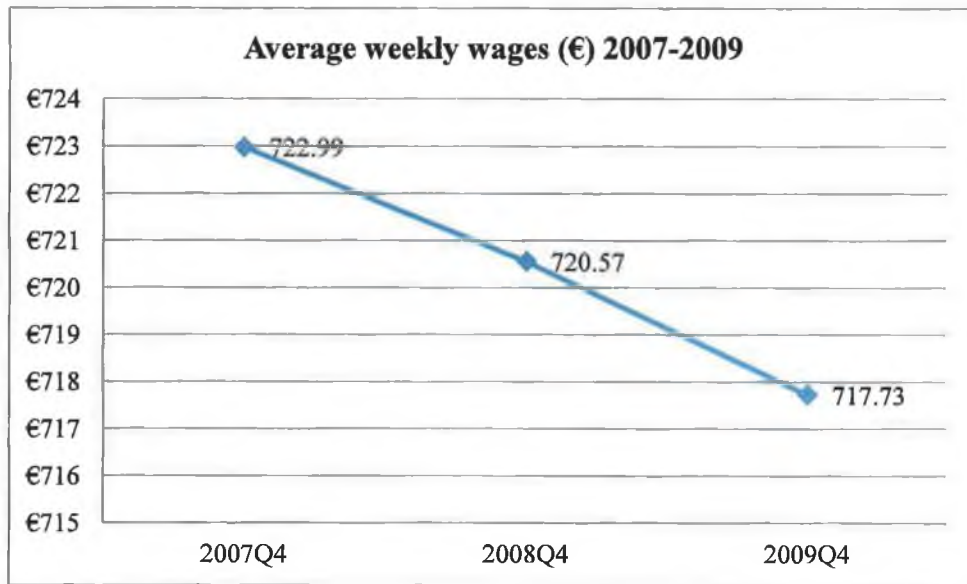
Below is a graphical representation of the seasonally adjusted unemployment rates in Ireland between January 2007 and December 2009. A strong steady increase in unemployment can be seen in the Irish economy with the unemployment rate having climbed to a staggering 11.8% by year end 2009, almost triple the amount in 2007.



Source: CSO 2010

Average weekly wages 2007-2009

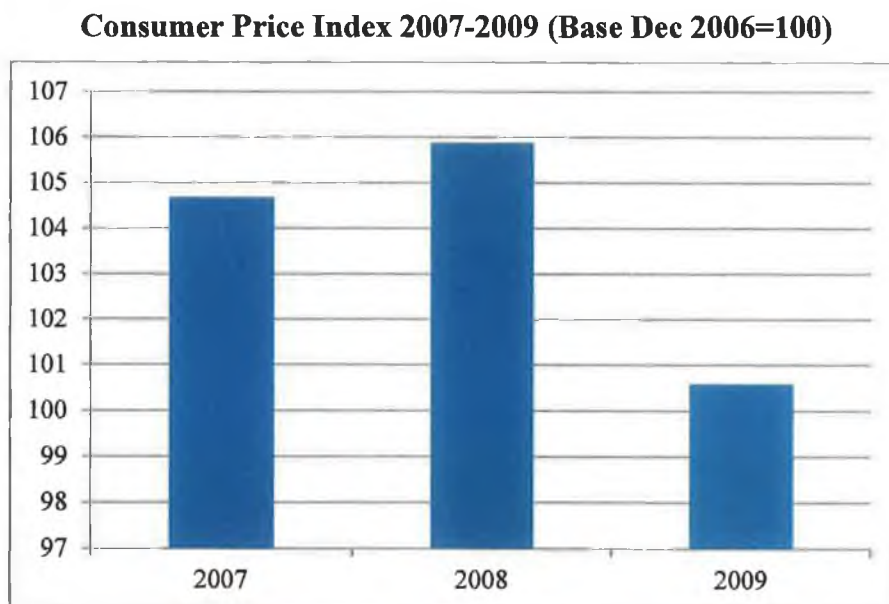
The graph over is a visual illustration of the gentle decrease in weekly wages that occurred across all sectors in the Irish economy. The figures show that the average weekly wage for employees in the Irish economy fell €5.26 per week in a three year period. This slow decline in salary could be down to any number of factors. One such factor could be the increase in bargaining power of employers due to the increasing unemployment figures.



Source: CSO 2010

Consumer Price Index 2007-2009

The Consumer Price Index, or the CPI, is the official measure of inflation in Ireland. The graphical illustration below shows the CPI rate in the Irish economy between 2007 and 2009. The figures show a CPI of 104.7 at year end 2007 and an increased CPI rate of 105.9 at year end 2008. There was a significant fall however by year end 2009 with Ireland having a CPI rate of 100.6.



Source: CSO 2010

Employer perspectives to change during 2007 and 2009

Change Pressures

The reports conducted by National Centre for Partnership and Performance in 2009 have shown that factors that lead to increased pressures on organisations in the middle of the most serious global and national economic recession are surprisingly varied particularly when compared to pressures on employers in 2003.

The report has classified these pressures under three primary areas:

- Competition and Markets
- Labour
- Operating Environment

Within these primary areas, the report details specific pressure points faced by organisations, such as an increase in demands from customers, difficulty in recruiting appropriate staff and fluctuation in exchange rates.

The data obtained from the National Centre for Partnership and Performance indicates that in 2009, employers felt that the factors that put organisations under the most pressure was the downturn in the economy (64%) with labour costs and benefits coming in as the second most important factor (38%). Interestingly organisations felt pressures associated with energy costs (32%) and contracting markets for goods and services (31%) over those associated with the effects of competition from other companies (30%).

Comparing this with the data sourced in the 2003 reports, the factor that put organisations under the most pressure was insurance costs (64%) with labour costs and benefits coming in as the next pressure point (37%). Whereas energy costs were considered a significant pressure point for organisations in 2009, this factor had no (0%) impact on organisations who took part in the 2003 survey.

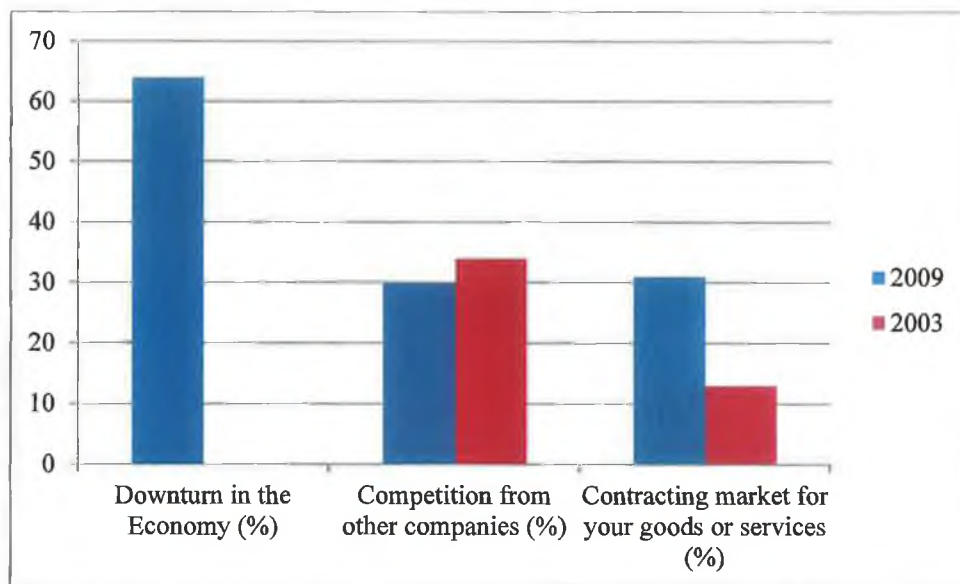
This data has been graphically illustrated with the factors that drove for change highlighted. As a point of comparison, this data has been compared with figures received from similar surveys conducted in 2003.

Competition and Markets

The first primary pressure point is Competition and Markets. The three factors within this area which have put the most pressure on organisations to change in 2009 and 2003 have been highlighted as:

- Downturn in the economy.
- Competition from other companies.
- Contracting market for goods and services.

Pressure points on employers - Competition and Markets (%)

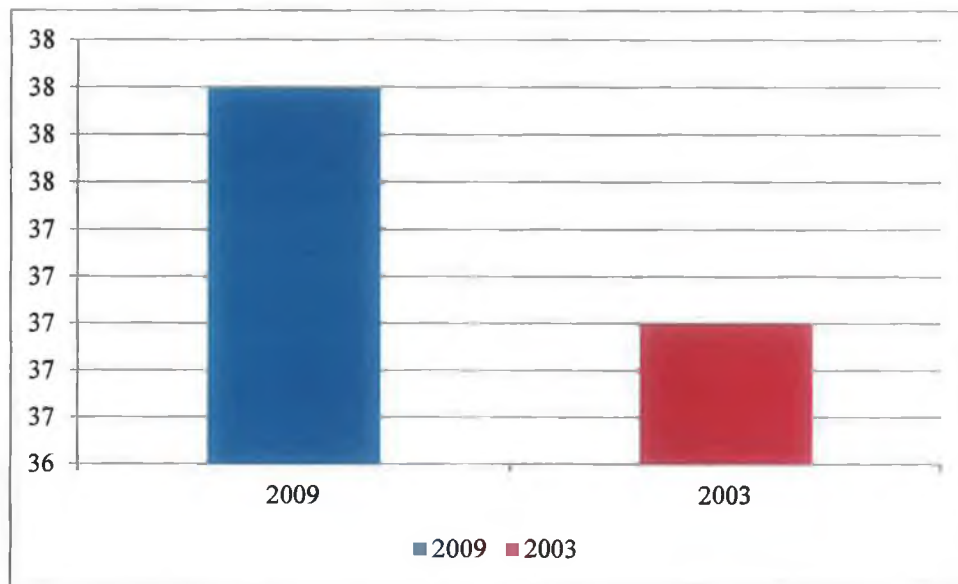


Source: 'Changing Workplace: A Survey of Employers' Views and Experiences' 2010

Labour

As regards this primary pressure area, labour and its associated factors and costs, such as the recruitment of appropriate staff, labour regulation and legislation, and demands from employees, have all tend to put employers under pressure to change, particularly in 2009.

Pressure points on employers – Labour (%)



Source: 'Changing Workplace: A Survey of Employers' Views and Experiences' 2010

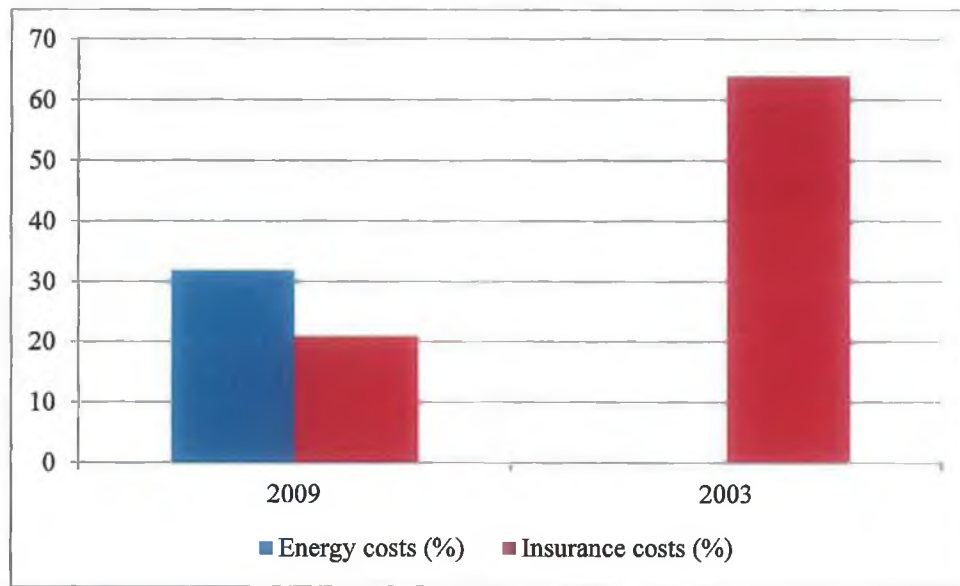
Operating Environment

Under this primary pressure area, there were two factors that had the most impact on whether organisations implemented change during the periods 2003 and 2009:

- Energy Costs.
- Insurance Costs.

It can be clearly seen that in 2003 energy costs were not a source of concern for organisations, and that in 2009 this became the most significant focal point for organisations when looking at their operating environment.

Pressure points on employers - Operating Environment



Source: 'Changing Workplace: A Survey of Employers' Views and Experiences' 2010

Organisational responses to change pressures

When considering the responses Irish organisations took to these pressures, the report finds that the most significant reaction to the difficulties was in the form of implementing a flexibility policy and encouraging more flexibility from within the workplace (78%). This response to change did not occur in the workplace of 2003 (0%) however, because many organisations were concentrating on improving the knowledge, skills and abilities of its workforce (62%).

What the data also shows is that change which took place occurred primarily to the internal workings of the organisation. Many businesses were implementing strategies which aimed at improving their internal systems and processes (72%) and their training and development (65%) systems. Other strategies that organisations were concerning themselves with were the implementation of ideas and processes what would help them to reduce their production costs (77%).

Organisational Responses to Pressures for Change at year end 2009	
Encouraging greater flexibility	78%
Reducing production costs	77%
Introducing new ways of working	72%
Improving quality of goods / services	72%
Training & Development	65%
Customisation goods / services to needs of clients	59%

Source: 'Changing Workplace: A Survey of Employers' Views and Experiences' 2010

Innovation, Research & Development and Quality Control

At a time when employers were concerned with cutting production costs, meeting increasing energy and labour costs, while also trying to operate in a recession which was placing a squeeze on it due to intensified competition and a reduced demand for goods, many organisations did not forget to consider the positive impact an investment into Innovation, Research and Development and Quality Control could have on their bottom line.

Research data shows that 49% of organisations operating in the private sector at the end of 2009 had introduced new or improved products in the previous two years. Also, 55% introduced new or improved services between 2007 & 2008, while 43% of private sector organisations considered workplace innovation as having a significant importance in the future success of the organisation.

Innovation as a response to change pressures	
Introduced new or improved service between 2007 & 2008	55%
Introduced new or improved product between 2007 & 2008	49%
Considered workplace innovation strategic to future of organisation	43%

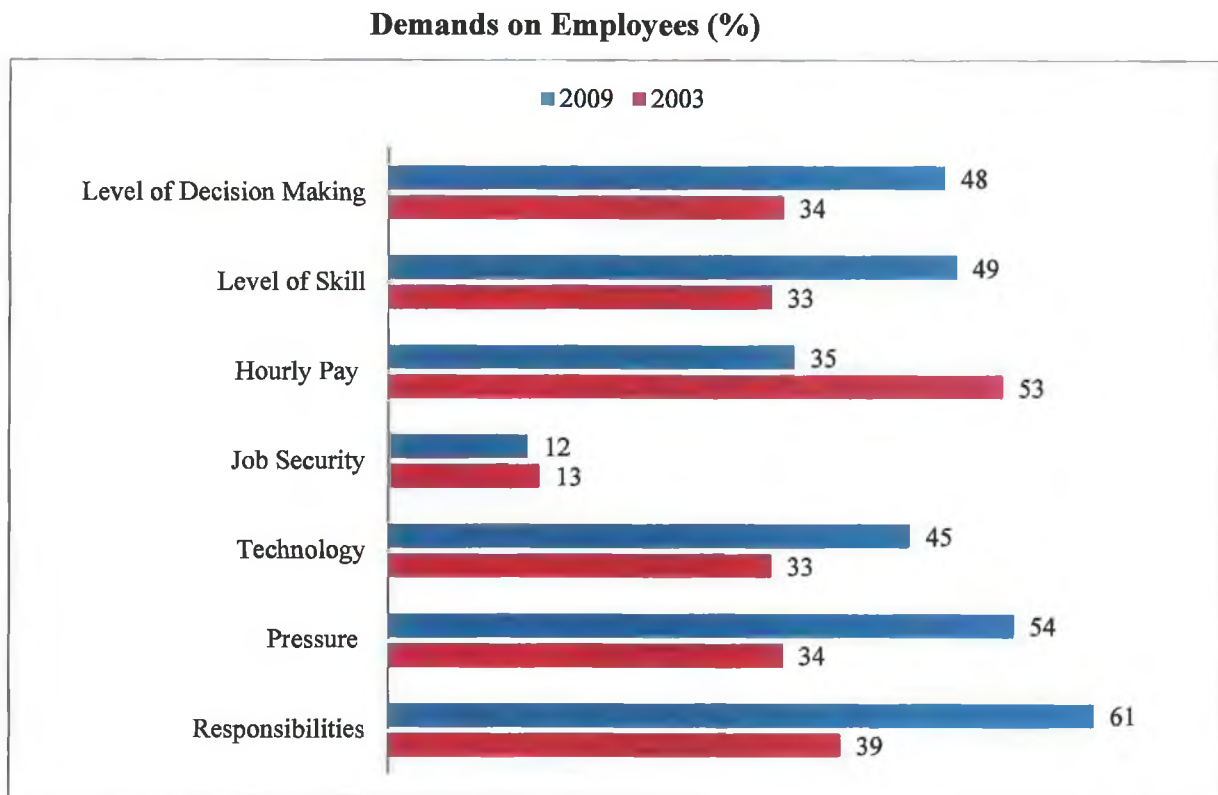
Source: 'Changing Workplace: A Survey of Employers' Views and Experiences' 2010

These figures are encouraging, as it shows that, even though many organisations were concerned with strategies based on how to reduce production costs, they were also implementing policies that promoted flexibility, innovation, development and alternative responses to recession and the pressure that are associated with it.

Employee perspectives of workplace changes during 2007 and 2009

Demands on employees

The graph below shows the level of demands being felt by employees in their jobs during the period 2003 and 2009. As can be seen, by the end of 2009, employees felt that the most strain being placed on them was from the increased level of responsibilities that employers put on them. Putting this into context, we can see that in 2003 employees considered their hourly pay levels as a significant demand being placed on them in their employment.

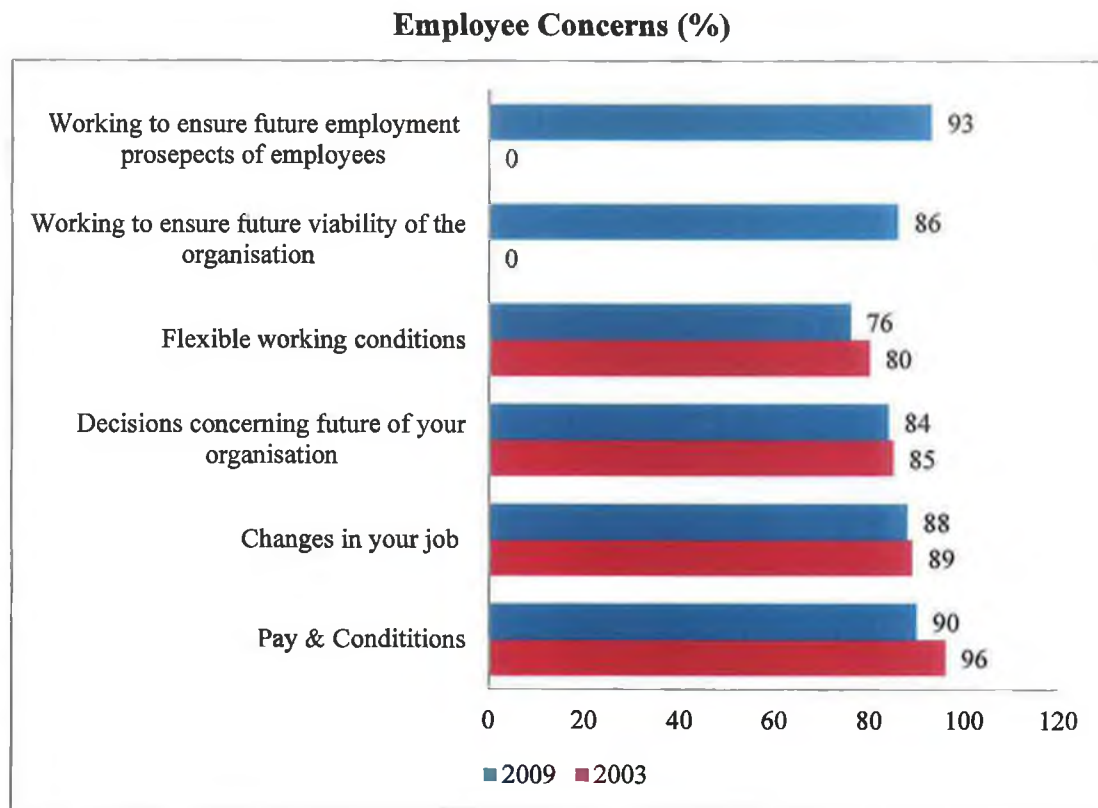


Source: 'Changing Workplace: A Survey of Employees' Views and Experiences' 2010

Employee concerns

From the information put forward in the National Centre for Partnership and Performance reports, we can see that employees' concerns in 2009 were primarily focused on how they could work together with their employer so as to ensure their

own future employment prospects (93%). This is in stark contrast with 2003, where employees were more concerned about their pay and conditions (96%).

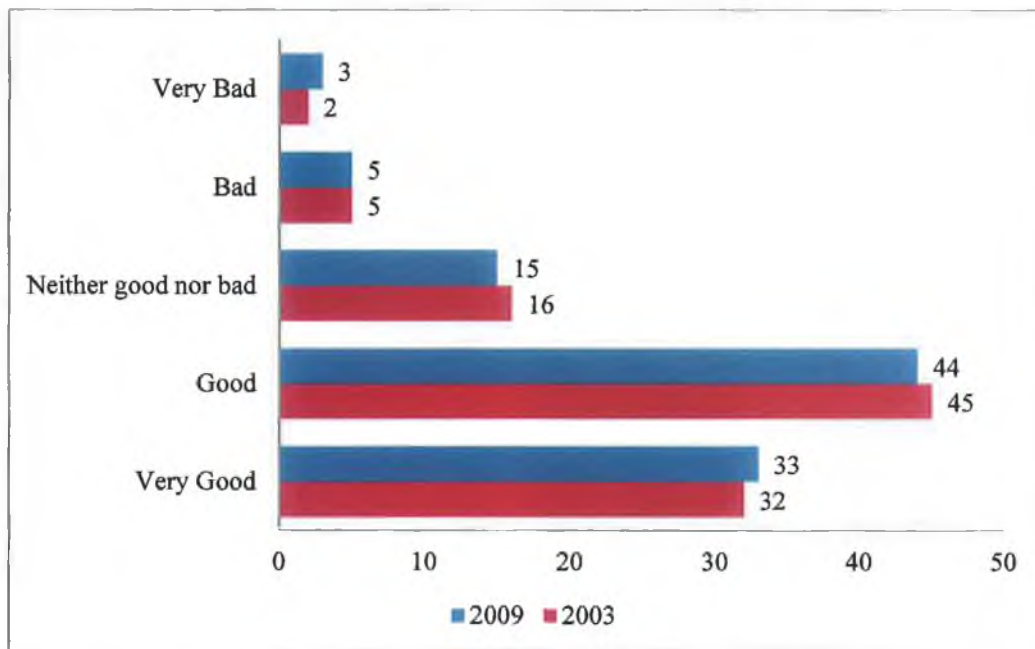


Source: 'Changing Workplace: A Survey of Employees' Views and Experiences' 2010

Workplace relationships

With all the demands being placed on employees and a shift in the factors that causes an increased degree of concern for employees in Irish employment during the period 2007 to 2009, the relationship between employees and management was without a doubt an issue for organisations. The research shows that the shift in this trend had not changed too much since 2003, and that in fact the relationships between employees and management was almost the same by end of 2009 as was in 2003.

Workplace relationships – employee and management (%)



Source: 'Changing Workplace: A Survey of Employees' Views and Experiences' 2010

Responses to change pressures

Employees have responded to the increased pressures being placed on them with an increased willingness to adopt change and do whatever is necessary to continue their chances of being employed. Their willingness to embrace change over the next two years have been reinforced by the figures over. They are willing to up-skill (92%) and take on extra responsibility for improving the way they work (91%), however, 46% of employees stated that working unsocial hours was the least popular change management initiative that could be implemented.

Willingness of employees to embrace changes in their work over the next two years - 2010 to 2011	
Increase in level of skills necessary to carry out your work	92%
Increased responsibility for improving how your work is done	91%
Increase in level of technology in your work	89%
Increase in responsibilities	87%
Increase in pressures you work under	60%
Having to work unsocial hours	46%

Source: 'Changing Workplace: A Survey of Employees' Views and Experiences' 2010

Quantitative methods

(b) Analysis of Organisational Financial Data

A study of GSK's financial data will be conducted on the released documents found on their International website. The data that will be looked at closer, as outlined in the Methodology Chapter, and will consist of identifying the elements that show whether change has occurred in the organisation, and if so, to what extent. As the research document is set during a specific time-period, namely January 2007 to December 2009 inclusive, financial data breakdown will be restricted to what occurred during this period. This means that the relative long-term financial success of the change strategies that may have been implemented during this period may not be accurately reflected. With this in mind, the general organisational performance will be considered as benchmarks for the organisations commitment to change, its response to economic pressures and it's shifting strategic direction.

GSK's share price value, its operating profits, its staffing and pay expenditure figures, and details on its expenditure on investments, acquisitions and its commitment to research and development will be shown. The organisation's financial statements are drawn up in Sterling (GB£) as this is its functional currency and details referring to costs and expenditure will be listed in this exchange.

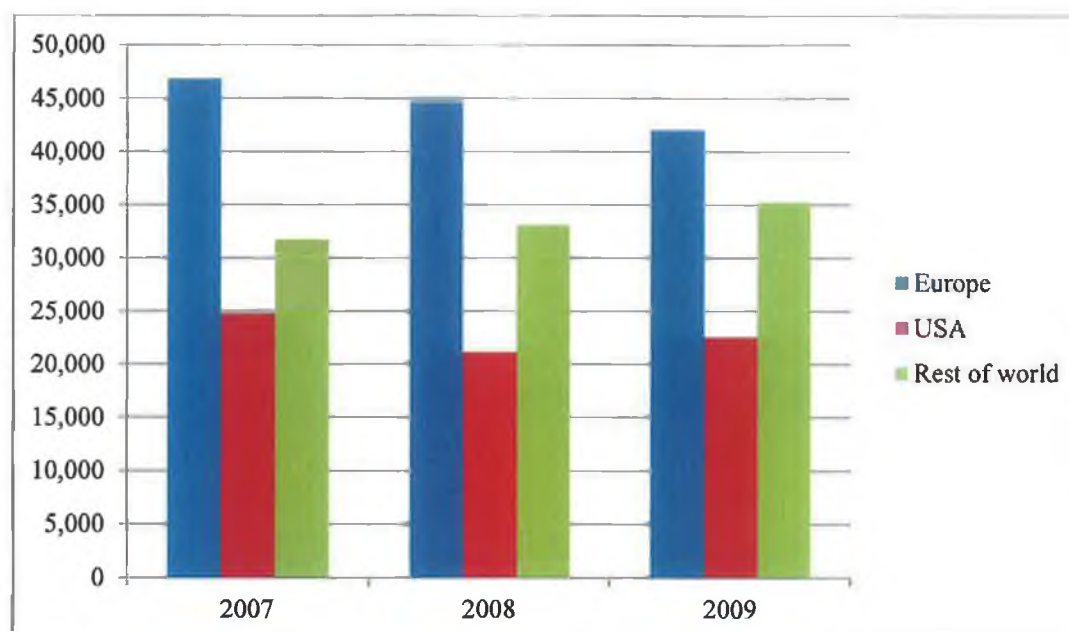
As the organisation is an International organisation, details which refer to its European operations will be specified where available. The research will also consider the organisation from an Irish context, and will show its financial records in these areas where the data is available.

It should be noted that GSK began a restructuring programme in October 2007, and, as outlined in the data obtained, they had intended to have incurred a significant amount of the expenses associated with this restructuring by end of 2009. This means that the information presented will indicate if it incorporates restructuring costs.

Staffing

The details below show the number of employees in GSK during the period 2007 to 2009. The information has been segregated into the three largest geographical areas GSK operate, USA, Europe and Rest of World. As can be seen below there was a large reduction of staff across the European sector in the organisation with a lesser overall degree of a reduction in the USA sector. The data also indicates that there was, however, a growth in staffing figures in the 'Rest of World' sector during the three year period.

Number of GSK Employees in '000s (Excluding Contract Employees)

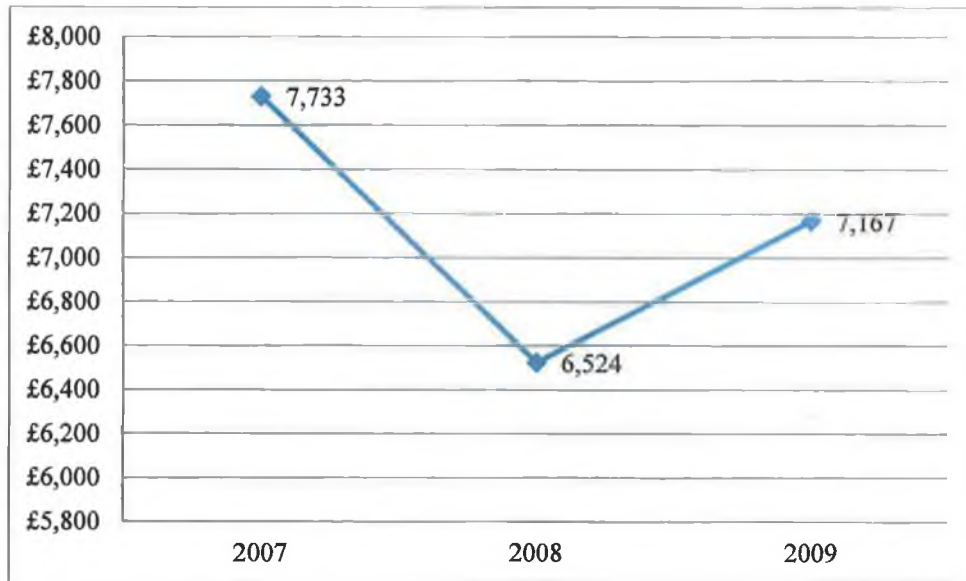


Source: GSK Strategic Plan 2007, 2008, 2009

Staff Costs (incl. costs from integration and restructuring activities)

The details of the staff costs includes staff wages and salaries, social security costs, pension and other post-employment costs, cost of share-based incentive plans and other costs associated with amalgamation and reorganisation activities. Details around the staff expenditure on training and development and other retention strategies are not specified in the data sourced. The data reflects an overall organisational drop in the staffing expenditure during the three year period. The most significant cut in staffing costs was felt at year end 2008, with a small growth a year end 2009.

Staff Costs in million GB£
(incl. costs from integration and restructuring activities)

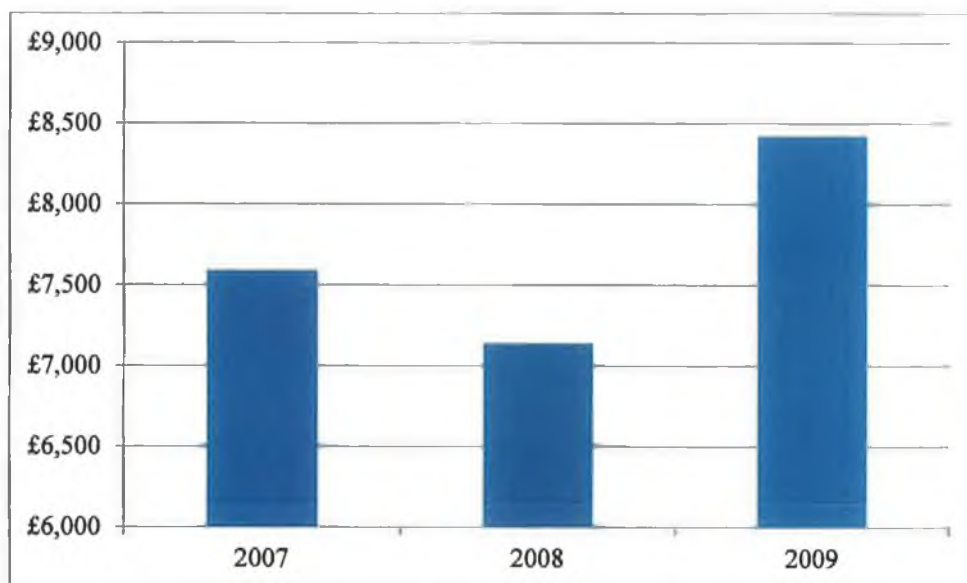


Source: GSK Strategic Plan 2007, 2008, 2009

Operating Profit (incl. costs associated with major restructuring)

The data below shows that GSK had an overall global loss in its operating profit of around £452m by year end 2008. However, the organisation seemed to have recovered and a significant growth can be seen by year end 2009 with a closing operating profit of £8,425m.

Operating Profit in million GB£ (incl. costs associated with major restructuring)

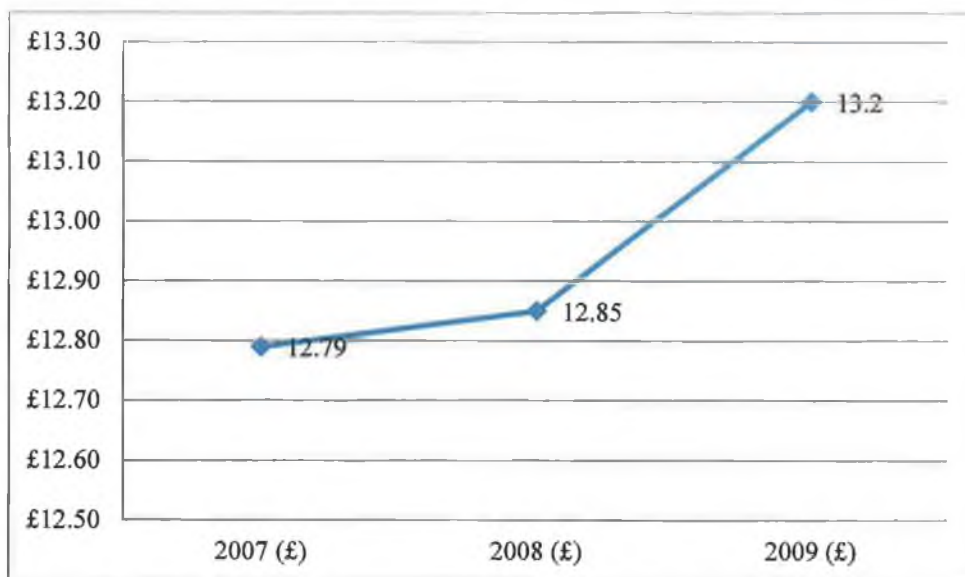


Source: GSK Strategic Plan 2007, 2008, 2009

Share Price at 31 December

The share price of the organisation can be seen to have grown steadily during the three year period 2007 to 2009. Despite the fact that the organisation suffered a loss in their operating profit at year end 2008, the data shows that its share price grew by £0.06 by year end 2008 and by a cumulative of £0.41 by year end 2009.

Share Price at 31 December (GB£)



Source: GSK Strategic Plan 2007, 2008, 2009

Mergers and Acquisitions associated with Major Restructuring

The organisation acquired two companies during the 2007 to 2009 period. They spent £814m on the acquisition of Reliant Pharmaceuticals and a further £2.2 billion on acquiring Stiefel Laboratories. The organisation did not make any recorded acquisitions during 2008. The data show that these acquisitions were conducted under the auspices of the organisation's major restructuring programme introduced in 2007.

Mergers and Acquisitions associated with Major Restructuring (GB£)

Year	Company	£
2007	Reliant Pharmaceuticals	814m
2008	n/a	n/a
2009	Stiefel Laboratories	2.2b

Source: GSK Strategic Plan 2007, 2008, 2009

Principal Investments

GSK continued to make investments into its associates and joint venture businesses during the three year period. The organisation was also going through a restructuring programme and the degree to which this had in influencing the amount of investments it made is not revealed in the financial data. The table below shows the primary investments made by the organisation during 2007 to 2009.

Principal Investments (GB£ m)

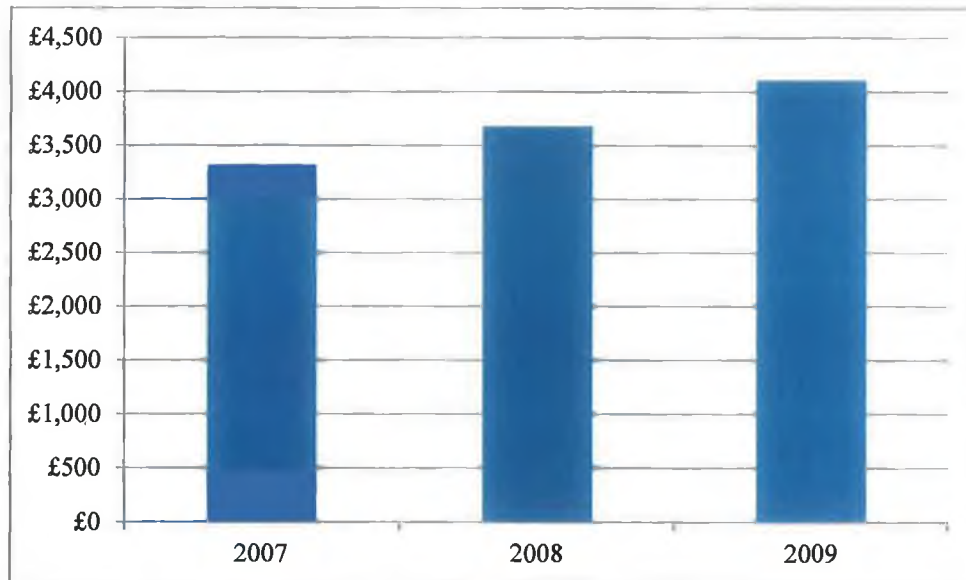
Year	Company	£m	Total
2007	Quest Diagnostics Inc.	299	£229m
2008	Quest Diagnostics Inc.	463	£463m
2009	Aspen Pharmacare Holdings Ltd	372	£408m
	Shenzhen GSK - Neptunus Biologicals Co Ltd	20	
	Shionogi-GSK Holdings L.P	16	

Source: GSK Strategic Plan 2007, 2008, 2009

Expenditure on Research and Development (incorporating costs associated with major restructuring)

The financial statements show that the organisation continued to make investments in research and development with a small but steady growth year on year on this area. The organisation's primary business revolves around developing new pharmaceutical products and therefore their continued investment in the research and development sector of the organisation is expected.

Expenditure on Research and Development in GB£ m
(incl. costs associated with major restructuring)



Source: GSK Strategic Plan 2007, 2008, 2009

Breakdown of the Irish Financial Statements

A breakdown of GSK's Irish Financial Statements could not be made due to the inaccessibility of their Irish financial data.

GSK's Irish branch in the Cork Airport Business Park on the Kinsale Road Cork (GSK Trading Services Limited) was contacted with the aim of obtaining this data. The author was informed that GSK's procedures dictated that Irish branches were to submit their financial statements to the parent company in the UK, where this is then combined with its global figures.

The aim of presenting this data was in order to be able to put the implications of GSK's global strategies into an Irish context, which would ultimately help to closer link the implications for the Irish pharmaceutical industry and its workforce in Ireland.

Findings

Qualitative methods

(a) Longitudinal case-study

The longitudinal case-study will identify the change pressures that were placed on GSK during the period January 2007 and December 2009 and highlight how it responded to these pressures by identifying change management strategies that it implemented.

The first phase of the longitudinal case-study will take the form of reviewing GSK's Strategic Plans for the years end 2007, 2008 and 2009 separately and representing the data in three separate sections. The responses GSK took to pressures will be highlighted by looking at them under identified Enablers of Change and considering them further under specifically identifiable key Change Management Initiatives.

Enabler of Change:	Change Management Initiatives (not limited to):
Organisational Flexibility	<ul style="list-style-type: none">➤ Defend or Attack➤ Agility or Absorption➤ Organisational Restructure
Collaboration	<ul style="list-style-type: none">➤ Work Closer with Outsiders➤ Develop Systems and processes that allow cooperation between organisations internal stakeholders➤ Internal Communications➤ Employee Commitment
Focus of Organisation	<ul style="list-style-type: none">➤ Diversify or Focus on Core➤ Acquisitions➤ Contingency Plans➤ Investments

The next phase will take into account media publications on GSK and any relevant significant occurrences that took place during the 2007 to 2009 period.

This section of the longitudinal case-study was to be initially limited to Irish media publications on GSK during the period 2007 to 2009. This was to ascertain what the repercussions GSK's strategies had in an Irish context, such as what Irish branches were to be closed and how many people would lose their jobs.

This was conducted bearing in mind significant GSK investments and job creation that took place prior to the period under investigation, that being 2006. The media review was also extended into a period of 2010 where further significant occurrences affected GSK's Irish employees.

Upon conducting this review the author established that there would be a need to conduct a broader media review on GSK. This was in order to establish a basis for why GSK implemented the change strategies it did in Ireland during the period under investigation. This would give a clear and a more holistic picture of not only whether GSK implemented its change strategies, but also how it did so and how this affected its workforce in Ireland.

On this basis the second phase of the longitudinal case-study has been split into two distinct parts

(a) will highlight significant occurrences and changes that had an effect on GSK on an international context over the period 2007 to 2010 and

(b) the repercussions these occurrences and changes had for the organisations Irish workforce.

Longitudinal case-study - Phase One - reviewing GSK's Strategic Plans for the years end 2007, 2008 and 2009 to identify the change pressures and responses

GSK STRATEGIC PLAN 2007

Organisational Strategy - Do more, feel better, live longer

Mission – Global quest to improve the quality of human life by enabling people to do more, feel better and live longer.

Identified Change Pressures

1 Media publications and research published in Professional Journals - Article published in a medical journal suggested there was a risk with GSK's second largest product, which in turn lead to a significant drop in sales of that product and a sharp fall in GSK's share price.

2 Increased degree of caution - (A) Regulatory bodies becoming progressively more risk conscious. (B) Increase in the numbers of regulatory bodies. (C) Increase in level of legalisation.

3 Pricing - (A) Pressure pricing. (B) Increase in demand for cheap high quality healthcare. (C) Payers becoming more cost conscious.

4 Government Cuts – Increasing trend for governments to cut state healthcare costs.

5 Over-the-counter products - Increasing tendency for customers to purchase over-the-counter or generic products above prescription products.

6 Consumer Awareness - (A) The healthcare sector is becoming more consumer-centred with customers having more influence over their own treatments. (B) Customers also increasing in awareness in the areas around access to medicine and medical knowledge.

7 Patents - (A) Short patent periods. (B) GSK's long held patents coming to a close shortly.

8 Competition - (A) Risk of competition from producers of generic pharmaceuticals.
(B) Intense competition for human resources.

9 Intellectual Property - Weakness of intellectual property legalisation in certain countries in which GSK operates.

10 Environmental Awareness - (A) Increased customer and social awareness of environmental issues. (B) Meeting the increasing numbers of environmental regulation.

11 Exchange Rates – Meeting the demands associated with fluctuating exchange rates.

Response to Identified Change Pressures

Organisational Flexibility

- Agile - (A) Four new product launched. (B) Developed new Research & Development Centres of Excellence for Drug Discovery.
- Absorption – GSK more able to withstand pressure put on it by competitors due to diversity of its business structure.
- Organisational Restructure - (A) Change in research infrastructure through breaking down of the bureaucratic pharma model into Research & Development Centres of Excellence for Drug Discovery. (B) Changes in management team, including departure of two senior managers and introducing of three new senior managers. (C) Outsource business areas to lower-cost countries. (D) Introduction of the GSK Operational Excellence Programme which aimed to improve efficiency and productivity of operations.
- Attack - (A) Opening branches in new emerging markets such as Brazil, Russia, India and China.
- Resource Sharing – GSK utilise the knowledge, skills and experience of their staff in their Pharmaceutical Business sector (incl Marketing, Distribution and Research & Development areas) to grow and develop the Consumer Healthcare sector products.

Collaboration

- Consultation - (A) Confer with shareholders, patients, governments, non-government organisations, payers and employees to identify issues specific to their particular sector. (B) Increase of 10% in Share Holders dividend.
- Working closer with outsiders - (A) Working with governments. (B) Share risk with customers to prove the quality of products. (C) Collaborating with academic centres worldwide, for example Hammersmith Hospital London. (D) Corporate social responsibility – giving preferential pricing to customers in least developed countries. (F) Working in Public Private Partnerships to produce products that have no viable commercial market.
- Employee Commitment - (A) Retention strategies to retain and recruit talent, knowledge, skills and intellect. (B) Evolving and adopting a culture of continual improvement particularly in the area of the quality of its science and management. (C) Investing in its intellectual property systems.

Organisational Focus

- Strategic focus on Research & Development - (A) To deliver improved productivity. (B) Develop new Research & Development Centres of Excellence for Drug Discovery. (C) Focus its skills and resources on specific disease areas. (D) New innovative and flexible product pricing.
- Investment – Share buy-back.
- Expansion – Creating new markets by developing new medicines targeted at unmet medical need.
- Focus on Core - (A) Reduce expenditure. (B) Operate more efficiently and profitably. (C) Continue to invest in Research & Development.
- Acquisitions – Acquire Reliant Pharmaceuticals.

Source: GSK Strategic Plan 2007

GSK STRATEGIC PLAN 2008

Organisational Strategy - Grow, Deliver, Simplify

Strategic priorities - Grow a diversified global business, deliver more products of value and simplify the operating model

Overall aim – To improve the long-term financial performance of GSK

Identified Change Pressures

1 Patents – (A) Expiry of long held patents and the loss of the significant financial benefits that is associated with them. (B) Short patent periods.

2 Demonstrable Benefits - Increased pressures to show that their products represent the greatest value for money and benefits for healthcare providers over current treatments.

3 Ethics - With increased controversy associated with ethical and patient safety issues there is a danger of eroding customer trust.

4 Competition - (A) Competition from producers of generic pharmaceuticals. (B) Intense competition for human resources.

5 Capital - Decline in asset prices, liquidity problems and limited availability of credit.

6 Recession – (A) The effect of recession on sales, organisational financial condition and the ability to raise capital. (B) Potential difficulties for GSK's investment abilities into its pension plans. (C) Changes in inflation, interest rates and foreign currency exchange rates.

7 Customer Spending - The sensitivity of GSK's Customer Healthcare Products to a decline in consumer spending.

Response to Identified Change Pressures

Organisational Flexibility

- Organisational Restructure – (A) Simplify organisation to improve alignment with business priorities. (B) US pharmaceutical business going through major change programme. (C) The creation of Discovery Performance Units. (D) Creation of one single global commercial support structure. (E) Create a single Head Quarters for US operations in North Carolina. (F) Introduce simpler and more efficient ways of working by simplify operating models, clarifying roles and responsibilities and improving prioritisation and decision making skills.
- Agile Absorption – The development of a high barrier to entry for competitors allows GSK to see off new competitors.
- Agile – Launch new products.
- Attack – Gain a competitive advantage by entering into emerging markets.

Collaboration

- Internal Communication – New and improved communication channels: (A) GSK intranet (engage directly with CEO). (B) Ambassador Community (give employees information on issues affecting GSK and the industry). (C) GSKtv (web based library on GSK's strategy). (D) Interactive multimedia (updates globally from CEO). (E) Face to face communications. (F) Evaluation processes and feedback and monitoring mechanisms. (G) Induction programme.
- Work closer with outsiders – (A) Expand collaborations with external partners, including academia and other drug discovery alliances. (B) Create partnerships to produce financial savings, improve productivity and enhance collaboration with internal and external partners.
- Alliance - Enter partnership with Aspen Holdings of South Africa to open a potential portfolio of over 1000 products.

Organisational Focus

- Focus on core – (A) Removal of unnecessary processes and structures which slow down and distract from the mission. (B) Drive growth on established strengths; refocus marketing to promote Consumer Healthcare business products in the areas of over-the-counter, oral health care, and nutritional healthcare. (C) Reduce working capital.
- Diversify – Capturing opportunities and broadening its portfolio by diversifying into new products that show potential.
- Expansion – Expand into Japan with a view to launch more than 40 products in Japan in next five years.
- Research and Development – (A) Expand innovation strategies. (B) Develop and build a pipeline of products that allow for a sustainable flow of new products.
- Acquisitions – (A) Sirtis Pharmaceuticals. (B) Genelab Technologies.

Source: GSK Strategic Plan 2008

Organisational Strategy - Grow, Deliver, Simplify

Strategic Priorities: Grow a diversified global business, deliver more products of value, and simplify the operating model.

Identified Change Pressures

1 Competition – (A) Increasing trend in the purchase of generic medical products. (B) Increased pressures on patients and doctors to use generic pharmaceuticals. (C) Introduction of new products and processes by competitors. (D) Consolidation and globalisation of retailers to strengthen negotiation powers. (E) Competition for human resources.

2 Recession – (A) A decline in asset prices, liquidity problems, limited availability to cash and a slow rate of recovery from sharp recession. (B) Inflation and interest rates, foreign currency exchange rates and economic factors effecting GSK businesses.

3 Patents - (A) Expiration of patents in major markets. (B) Challenges to obtain patents by competitors before they expire.

4 Data Protection – A growing increase in the need to improve security of sensitive data, trade secrets, intellectual property and corporate strategic plans.

5 Consumer Awareness – (A) Consumer demands for products of better quality, better value and that deliver improved performance. (B) The need to improve and demonstrate better return for investments.

6 Intellectual Property –The weakness of effective legal protection of Intellectual Property in certain countries that GSK operates in.

7 Technology – (A) Shorter innovation cycles. (B) Speed of change in external environment.

Response to Identified Change Pressures

Organisational Flexibility

- Agile - Deliver more new medicines - 12 new product approvals.
- Attack – Capture potential opportunities that will create innovative collaborations.
- Organisational Restructure – (A) Implement GSK-wide restructuring programme. (B) Developing new ways of working to simplify the business and achieve greater efficiencies. (C) Establishing New Product and Global Supply sites. (D) Development of smaller Discovery Performance Units which focus on a particular disease.
- New Technology - Utilisation of new technologies that drive for innovation, lower costs and provides flexibility in operations.
- Resource Allocation - Placing the right technical competencies in the right place at the right time to support rapid and successful new product introduction.

Collaboration

- Working closer with outsiders – (A) Work with governments across the world to meet the needs associated with the delivery of a global H1N1 flu vaccine. (B) Clinical trials to test vaccines. (C) Strategies to improve access to medicines such as providing discounts on certain GSK prescription medication for eligible patients, placing price caps on patented medication and increasing funding for health programmes. (D) Developing drug discovery collaborations with academia and the biotech industry.
- Internal Communications – (A) Creating an internal learning culture that embodies GSK values and behaviours. (B) Encourage two-way communication – improved web technology to engage employees.
- Employee Commitment – (A) Leadership strategies to identify and develop highly skilled leaders. (B) Launch of a First Line Leader programme for all new leaders. (C) Launch of a GSK-wide mentoring scheme. (D) Strategies to develop areas such as team working, personal resilience, ergonomics and Energy for Performance. (E) Commitment to flexible working to enable employees to manage work-life balance commitments. (F) Rewarding and developing GSK's people that

have delivered strong results for GSK. (G) Proactive talent acquisition initiatives to recruit talent.

Organisational Focus

- Focus on Core – (A) A focus of broadening and strengthening the product portfolio. (B) Simplify operations and reduce costs. (C) Focusing the business more on customer service. (D) Enhance the organisational commitment to health, safety and environment.
- Acquisitions – (A) GSK's size makes it an attractive partner of choice for large and small organisations. (B) Acquisition of Stiefel Laboratories.
- Contingency Plans – The use of succession plans to identify successors for both senior and all critical positions.
- Research and Development – (A) Strategies to enhance research opportunities for neglected tropical diseases. (B) Reduce investment into Research and Development where the success of registration and launch of medicines are low.

Source: GSK Strategic Plan 2009

Longitudinal case-study Phase Two – (a) highlight significant occurrences and changes that had an effect on GSK on an international context over the period 2007 to 2010 and (b) the repercussions these occurrences and changes had for the organisations Irish workforce.

(a) International media

The following are occurrences that took place during the period 2007 to 2010 that had significant effects for GSK.

Year	Events
2007	<ul style="list-style-type: none"> • A medical journal published an article that suggested that GSK's diabetes drug, Avandia, could be linked with an increase in heart complications, including heart attacks and an increased risk of cardio related deaths, in people who were taking Avandia. As a result of this article, the US Food and Drug Administration issued a safety warning to GSK's diabetes drug Avandia. (PharmaWatch: Monthly Review (PWMR), 2007) • In December, the Food and Drug Administration reject the GSK and Merck partnerships application to market Merck's cholesterol drug Mevacor as an over-the-counter product. (Drug Store News (DSN), 2007) • GSK has been classed as the second top pharmaceutical company in the US, having 7.9% of the total US market share and \$21.72 billion in sales. (Arnold, 2007)
2008	<ul style="list-style-type: none"> • The EU Commission conducted dawn raids on a number of pharmaceutical organisations in mid-January. This was part of its investigation into anticompetitive activities that could lead to preventing new cheaper generic products entering the market. It has been confirmed by GSK that they are one of the organisations that had been a target of the raids and they were collaborating with the regulators in Europe and the US. (Marwaha, 2008)

2008	<ul style="list-style-type: none"> • GSK's asthma medication, Advair, patent loss has resulted in a loss of \$6 billion in total sales. (Iskowitz, 2008) • Falling prices across the world have had a significant effect on pharmaceutical companies. It has been reported, however, that despite the continued input in to Research and Development, output continued to be low and that many pharma companies are running out of ideas on how to fill their emptying pipelines. (Marwaha, 2008) • GSK has been asked for confidential files and e-mails by the UK's Serious Fraud Office (SFO) as part of its investigation into alleged corruption and bribery to secure contracts from the Iraq government, who are allowed to sell some oil to pay for food and drugs from abroad without breaking sanctions. (S.H 2008) • The US Food and Drug Administration has been emphatic in its suggestion to GSK that their asthma treatments Serevent and Advair should carry new warning language on their labels that clearly indicates their potential risk to children. (PWMR, 2008) • The Dutch Health Inspector has been reported to have raided GSK offices in early-October as part of its investigation into alleged payments to medical doctors who were advising the government on health policy issues, including the vaccination of girls against cervical cancer. (MA, 2008) • GSK has planned to release details on payments made to US medical doctors and planned to enforce a cap of \$150,000 per annum per doctor. (MA, 2008) • Between 2008 and 2013, a total of 183 branded drugs will go off patent, with 60 drugs coming off patent in 2012 alone. (Buono, 2008) • GSK's migraine medication Imitrex, epilepsy and bipolar 1 disorder treatment Lamictal, anxiety medication Paxil CR and depression drug Wellbutrin XL 150 mg are coming off patent in this year. (Buono, 2008).
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Year	Event
2009	<ul style="list-style-type: none"> • The US patent protection on GSK's Imitrex anti-migraine drug expires in February 2009. Intense competition is growing between an increasing number of organisations, who intend to produce and distribute a generic copy of this popular anti-migraine medication. (PharmaWatch: CNS; 2007) • Pharmacists have been accused of selling GSK's over the counter anti-obesity treatment alli without following guidance to check patients' BMI. GSK have said that it sent 7,000 pharmacists on training on how to correctly dispense this anti-obesity treatment before launching the treatment. (Pulse, 2009) • The US Food and Drug Administration have issued warning letters to pharma companies, including GSK, over the usage of sponsored links to their drugs on the internet. (Osborne, 2009) • It has been reported that the UK government has purchased enough of GSK's anti-virals (along with Roche's anti-virals) to treat half of the country's residents, giving a much welcomed financial boost to GSK. (PWMR, 2009)
2010	<ul style="list-style-type: none"> • GSK has lost £4.5bn of revenue over the past three years due to a significant number of medication and products coming off patent. (Saunders, 2010) • It has been noted that by 2020, there will be an estimated 828 million middle-class people in the China and India markets. Pharmaceutical companies are under pressure to cut costs so they can cater to these new customers, and if they do not, they are in danger of becoming an upper-business-class-type of drug manufacturer in a world where low costs dominates. (Saunders, 2010)

2010	<ul style="list-style-type: none"> • GSK's high performing consumer division, which includes the Lucozade, Ribena, Sensodyne and Panadol brands, have grown to a rate of 7% in 2009. (Saunders, 2010)
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Below are strategies and changes that GSK implemented on an international basis during the same period as part of its change management strategies.

Year	GSK change strategies
2007	<ul style="list-style-type: none"> • GSK collaborate with Merck – the partnership may mean cholesterol drug Mevacor could one day be sold as an over-the-counter product. (DSN, 2007) • GSK acquired all the outstanding common stock of Praecis Pharmaceuticals Inc for a total of \$53,542 mil. (Mergers & Acquisitions Report (MAR), 2007) • To rein in costs, GSK has rationalised its professional advertising through the use of a new operating model launched in 2006. (Arnold, 2007) • The implementation of GSK's cycle-to-work scheme had been deemed to be more popular than its health screening benefit. (Employee Benefits (EB), 2007) • GSK took out a preliminary injunction against the US Patent and Trademark Office (PTO) that would prevent them in bringing in changes that would put a limit on the number of patent claims and patent continuations that an organisation could file. It had been reported that at this time GSK had 2,000 patent applications. (Harrison, 2007)
2008	<ul style="list-style-type: none"> • GSK has implemented a car discount scheme for its employees that allows its 18,500 staff to purchase or lease cars with the Volkswagen Group at discounted preferential rates. (Spicer, 2008) • GSK communicates its financial details with its staff using a variety of tools, including face-to-face, posters, intranet, articles in its benefits newsletter, emails and on-site notice boards. (Skidmore, 2008)

2008	<ul style="list-style-type: none"> • GSK has conducted a review of its schedule of its external design suppliers, the first time since 2004. GSK has encouraged a number of top UK brand consultancies to pitch for a place on its revised schedule. (Design Week (DW), 2008) • GSK has introduced a worldwide project management training programme with the aim of educating and improving its staff's abilities in the area of project management. This training programme has played a big part in altering staff behaviour in terms of risk management. (Alexander, 2008) • The project management training programme utilised internal staff to promote the programme and who are also charged with ensuring the course content is relevant to their area. (Alexander, 2008) • The development of a Project Management Resource Centre has begun for the organisations entire Research and Development. (Alexander, 2008) • GSK continue to emphasise the importance of obtaining feedback from its staff on its training courses and its overall performance. (Alexander, 2008) • A pilot employer paid nutritional advice service, which includes recipes, will be launched with the aim of improving the long-term health of GSK staff. (EB, 2008) • GSK announced that it proposed to close its Dartford factory by 2013. GSK will provide financial planning and career support to staff who take up its offer of redundancy or early retirement. The closure will mean a loss of 620 jobs. (EB, 2008)
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2008	<ul style="list-style-type: none"> • GSK has joined forces with The Bill and Melinda Gates Foundation to implement an anti-malaria vaccine initiative. This will be conducted through a medical trial of anti-malaria treatment for 16,000 children in Africa. (New York Amsterdam News (NYAN), 2008) • GSK has achieved a saving of up to 30% in how its centralised internal venue-sourcing group sources meeting venues. This was achieved through the implementation of a new change management system. (Pharmaceutical Executive, 2008) • GSK enter into a strategic alliance with Santaris Pharma which is worth over \$700 million. (PharmaWatch: Biotechnology (PWB), 2008) • A patient savings card has been introduced by GSK to help patients purchase their HIV medication. This card will pay for \$100 worth of GSK HIV medication a month for a two year period. (DSN, 2008)
2009	<ul style="list-style-type: none"> • GSK has vowed to increase the usage of the amount of recycled packaging it uses in its products. The company has used 100% recycled packaging in its Ribena bottles. (Garden, 2009) • The influence of the current economic conditions has led GSK to implement an organisational wide cost cutting restructuring programme. This programme has led to a cut in the number of GSK jobs. (Modha, 2009) • GSK has cut the amount of funding it makes to Commercially Provided Continuing Medical Education Programmes. The organisation will only fund independent continuing medical education programmes that are intended to close the gaps in patient care. (Arnold, 2009)

2009	<ul style="list-style-type: none"> • GSK has made a strategic alliance with Concert Pharmaceuticals. (PWMR, 2009) • GSK commits to reduce the cost of its patented medication to 50 underdeveloped countries to no more than 25% of what it charges in developed countries. (Nature Medicine (NM), 2009) • GSK pledges a reinvestment of 20% of its sales profits made in underdeveloped countries back into its health infrastructure. (NM, 2009) • GSK acquires skin care specialist Stiefel Labs for £2.3 billion. (Saunders, 2010) • GSK creates a strategic alliance with Pfizer to merge the two companies' HIV businesses. The HIV business had sales of \$3.8 billion in 2008. GSK will own 85% of the joint venture. (PWMR, 2009) • The collaboration between GSK and Synta will end with effect from 10 September. The alliance was based on an agreement to collaborate in the clinical development and commercialisation of elesclomol. (PWB, 2009)
2010	<ul style="list-style-type: none"> • GSK focuses on reformation of its business platform with its Research and Development potential being reprioritised and restructured into smaller and more defined project groups with a three year funding cycle. (Saunders, 2010) • In 2010, 380 staff in the UK have been made redundant at its Harlow, Essex plant. (Saunders, 2010)

2010	<ul style="list-style-type: none"> • GSK focus on emerging markets opening a Research and Development lab in China. (Saunders, 2010) • GSK has introduced open plan offices where senior managers share workspaces with colleagues and subordinates in its Brentford offices. (Witty, 2010) • GSK have pulled its Research and Development function out of the area of pain and depression and are refocused on the more scientifically promising fields of dementia and Alzheimer's. (Saunders, 2010) • GSK has focused on diversifying its products and markets with a goal of increasing its sales in emerging markets such as Russia, Brazil, China and India. (Business Europe, 2010)
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(b) Repercussions to GSK's Irish workforce and Irish economy

Below highlighted are the repercussions of the implementation of GSK's international strategic plans on its Irish workforce for the period August 2006 to October 2010 inclusive.

Year	Repercussions
2006	<ul style="list-style-type: none">• GSK to make a €13.5m investment in Research and Development in Cork.• GSK to form collaboration between GSK, UCC and Teagasc to conduct research in the area of Alimentary Pharmabiotic.• This investment will create 50 jobs. (Kelleher, 2006)
2007	<ul style="list-style-type: none">• GSK to invest €250m over five years in Cork branch. (Finfacts team 2007).• This will create 150 jobs in Cork branch. (Finfacts team 2007)• GSK chose Cork plant over any other of its 80 worldwide plants because the facility has a 100% track record when it comes to being able to deliver a high level of quality, efficiency and flexibility in a changing market. (Irish Times, 2007)• Minister for Enterprise Trade & Employment says Ireland must work harder to persuade more pharma Research and Development investment. (Irish Times, 2007)
2008	<ul style="list-style-type: none">• GSK to cut 100 jobs in Cork due to a global drop in some of its volumes of products and Cork having an excess capacity that is not sustainable to finance.• GSK to open a €23m expansion of its Co Waterford branch.• A further investment made of €30m in its over-the-counter manufacturing facility in Dungarvan, Co Waterford.• This investment to create 50 new jobs over three years in Waterford. (Finfacts Team, 2008)

Year	Repercussions
2009	<ul style="list-style-type: none"> • Ireland's pharmaceutical industry needs to change and adapt if wants to be avoid being left behind and avoid losing jobs to Far East. (Kelleher,2009) • This sector of the economy is responsible for 40% of Ireland's exports. (Kelleher,2009) • GSK to close medical plant in Sligo which it took over in July 2009. (Ó Fátharta, Hickey & Fallon, 2009) • This will have an estimated job loss of 250. (Ó Fátharta et al, 2009) • GSK wants to bring down costs in its Tralee plant and return it to profitability. (Ó Fátharta et al, 2009)
2010	<ul style="list-style-type: none"> • GSK plans to axe thousands of jobs worldwide due to a major restructuring programme with the group shifting its focus to emerging markets, such as China. (Irish Examiner Breaking News, 2010) • The group aims to make global savings of €1.95bn and improve efficiency in its research and development sector. (Irish Examiner Breaking News, 2010) • GSK's Avandia medication is linked with increased risk of heart attack which leads to a 2% drop in sales for GSK. GSK's Cork branch is the sole manufacturer of Avandia. (Irish Examiner Breaking News, 2010) • GSK to axe almost a quarter of its workforce in its Cork branch, a total of 121 jobs are lost, with 55 in manufacturing and 66 through change in shift patterns. (English, 2010)

Qualitative methods

(b) Descriptive Survey

The descriptive survey was to be conducted by contacting GSK staff members (with the full permission and cooperation of the Irish GSK branches) and asking them to complete the survey.

The survey compiled was split into three primary sections and questions were asked that covers the broad aspects of each specific area. This was done to reflect the information highlighted by the literature review in the area of change and how organisations can respond to change while also bearing in mind the data provided in terms of change by the organisations strategic plans of 2007, 2008 and 2009.

The primary aim of the questions was to find out if the organisation's intended global response to the economic crisis, as outlined in its strategic plans of 2007, 2008 and 2009, were implemented, if they had filtered down the corporate ladder and if they were felt at a local operational level.

After several attempts to receive same, the author failed to obtain permission from GSK to contact its staff with the aim of completing the survey. Unfortunately, due to lack of communication with GSK and the non-receipt of permission to carry out a survey of the organisation's staff, the descriptive survey could not be conducted.

A copy of the descriptive survey, which had been drafted for the purposes of this part of the research document, has been enclosed in the appendix.

Analysis

Analysis

The data put forward in the findings section will be analysed with the view of obtaining a solution to the research document questions. The analysis will take the form as outlined below:

- An analysis will be conducted that will help to build a picture of the Irish economy in which GSK operated in during the period under investigation. The repercussions felt by the Irish workforce and its economy as a result of GSK's change management strategies will also be looked at.
- An analysis of GSK's organisational strategy, its mission, strategic priorities and the change management strategies that it implemented during the period January 2007 to December 2009 will be conducted next. The implemented change management strategies will be identified and split into primary focus areas, or categories, in order to get a clearer picture of what the organisation focused on during a specific period. The analysis will be completed by evaluation of the implemented initiatives, how they related to the organisational strategy and its outlined strategic priorities.
This analysis will be split into three parts, January to December 2007, January to December 2008 and January to December 2009.
- The final part of the analysis will look at GSK's financial data for the period January 2007 to December 2009 and compare it to the strategies implemented during this period. The aim of conducting this is to establish if the strategies implemented by GSK during this period were successful on a financial basis.

Irish economic background and the repercussions of GSK's change management strategies to this economy.

This section analyses the Irish economical background put forward in the quantitative findings section and the data highlighted in the longitudinal case-study's qualitative findings section. The author felt that these two particular sections of the findings chapters would be best analysed together as the data combined would give a feel for what the economic conditions and pressures GSK's Irish facilities were facing during the period 2007 to 2009.

Many of the global economies were going through a change during the period 2007 to 2009, and Ireland was no different. With the onset of the recession, the Irish economic landscape was looking somewhat different than what it was when GSK first arrived to its shores.

At the start of 2007 Ireland was at the beginning of an economic downturn which was being primarily driven by the collapse of the country's construction and property sectors. The findings section show that the Irish unemployment rate almost tripled during the period 2007 to 2009, reaching 11.8% at the end of 2009.

The average weekly wage being earned by the Irish workforce was falling, albeit at a slower rate than the unemployment rate. At the end of 2007 the average weekly wage was €722.99 and by the end of 2009 it had fallen to €717.73 per week.

Along with the fall in the average weekly wage, people were also facing turbulent inflation rates during this three year period. By the end of 2009 the price of goods and services had fallen significantly with the consumer price index falling from a high of 105.9 at the end of 2008 to 100.6 at the end of 2009.

These were not the only pressures being faced by the average Irish worker. The findings also show that employees were increasingly concerned with the high level of responsibilities their employers were putting on them, with 61% of workers feeling this as a key work related stress factor. They were also feeling the pressure to perform in a manner that would help to guarantee their future employment with their current employer, while matters relating to their pay and conditions were not too far behind on the concerns scale.

Employers were also facing the pressures of the declining Irish economic climate. The findings show that 64% of employers were increasingly concerned with the pressures being put on it by the downturn of the economy and the contraction in the demand for their goods and services. Despite the fact that the average weekly wage was falling, employers were facing difficulties paying their employees, with 38% of employers surveyed noting this as the second highest pressure they faced. The next most significant pressure being placed on employers in Ireland at this period was the costs associated with its operating environment and in particular the increase in energy costs, such as electricity and heating costs.

The economical and statistical data presented in the findings section of the quantitative research section paints a grim picture of the Irish economy indeed. This, however, was not unique to Ireland, and many of the global economies were facing similar financial difficulties and economic pressures. Not only were national and international economies facing difficult choices and implementing painful strategies that would help it to survive the downturn, so were many organisations and businesses.

The implementation of GSK's strategic change management initiatives further compounded the economic pressures and fears faced by many employees and employers in the Irish economy. When considering the information outlined in the longitudinal case-study findings, and in particular the data relating to the Irish economy and the repercussions felt by the Irish workforce to GSK's change strategies, we can see that these strategies made significant contributions to the national unemployment figures.

The data shows that GSK invested in its Irish facilities up until 2008. These investment were primarily due to the fact that most of the investments had already been committed to prior to the beginning of 2007 or had been already finalised by the time it began to implement its change strategies.

GSK invested €13.5m in its Research and Development division in Ireland in 2006, made a commitment to invest €250m in its Cork plants over a five year period in 2007, opened a €23m new extension in its Dungarvan facility in 2008 and projected a creation of an average of 200 extra jobs in Ireland between the period of 2006 and 2012.

The investments stopped with the introduction of its change strategies, and GSK cut 350 jobs in its Irish facilities between 2008 and 2009, closed its Sligo facility, three months after it purchased it, implemented cost saving strategies in its Tralee facility to bring it back up to profitability, and announced a further loss of 121 job in its Cork facilities in 2010.

These change strategies lead to a further sense of doubt and fear around Ireland's pharma sector, which had been responsible for 40% of Irish exports in 2009. Ireland now faced the prospects of losing their pharma industry to cheaper emerging markets in the Far East.

Analysis of GSK's organisational strategy, mission, strategic priorities and the change management strategies implemented during the period January to December 2007

Organisational Strategy: Do more, feel better, live longer

Mission: Global quest to improve the quality of human life by enabling people to do more, feel better and live longer.

Below is a list of strategies that GSK have undertaken in the period January to December 2007. These strategies have been categorised into one of six primary areas, Customer Focus, Acquisitions, Collaborations, Reorganisation, Patent Protection and Employee Commitment.

1 - Customer Focus:

- Five new products launched - *Tykerb*, for breast cancer, *Veramyst/Avamys*, for allergic rhinitis, *Altabax/Altargo* for the treatment of skin infections, *Cervarix* vaccine for the prevention of cervical cancer and *alli*, an anti-obesity treatment.
- Grow and develop the Consumer Healthcare Sector through internal resource sharing.
- Focus skills on specific disease areas and developing new medicines targeted at unmet medical need.
- Preferential pricing to customers in least developed countries.

2 - Acquisitions:

- Praecis Pharmaceuticals.
- Reliant Pharmaceuticals

3 - Collaboration:

- Collaborate with academic centres and Governments.
- Create an alliance with Merck.
- Confer with shareholders, patients, non-government organisations, payers and employees to identify issues specific to their particular sector.
- Increase of 10% in Share Holders dividend.

4 - Reorganisation:

- Change in research infrastructure through the creation of Research and Development Centres of Excellence for Drug Discovery.
- Improve efficiency, profitably and productivity of operations through the introduction of an Operational Excellence Programme – for example cross sectional resource sharing, outsource business areas to lower-cost countries and reduce advertising costs.
- Maintain a strategic focus on Research and Development.

5 - Patent protection:

- Obtained a preliminary injunction against the US Patent and Trademark Office (PTO) to protect number of patent claims and patent continuations that an organisation could file.

6 - Employee Commitment:

- Introduction of a cycle-to-work scheme.
- Implementation of a health screening benefit.
- Evolving and adopting a culture of continual improvement, particularly in the area of the quality of science and management.
- Investing in intellectual property systems.

Analysis of the relationship between the Organisational Strategy and the change strategies implemented by GSK during the period January to December 2007.

The organisational strategy states that GSK aims to improve the quality of human life through enabling people to do more, feel better and live longer.

When this is looked at closer, we can see that the people GSK refers to could include its customers, its employees, the community it operates in and any other group or sector that relates to persons or human life and that have a stake in how GSK operates. Therefore it could be said that the organisational strategy is aimed at improving the quality of life of all areas of community.

When considering the strategies that GSK implemented during the period January to December 2007, we can see that the strategies were spread across a wide area of the community. The strategies included policies that touched the:

- the over-the-counter sector (Consumer HealthCare Products),
- prescription medicine sector (the launch of the four new medications)
- communities in underdeveloped economies (preferential pricing schemes)
- communities that were battling under-researched illnesses (new medicines targeted at unmet medical need)
- employees (staff commitment initiatives – cycle-to-work and health screening schemes)
- GSK itself (patent protection and initiatives aimed at improved efficiency, production and profitability)
- shareholders (increasing dividend)
- competitors (acquisitions and alliances)

Can it be said that GSK successfully implemented their organisational strategy of helping people to do more, feel better and live longer? If you are a person who felt a positive impact from the strategies implemented, then the answer is yes.

The probability of this occurring is rather large considering the extensively broad range of sectors (from corporate staff to those living in poorer cultures) their policies reach.

How closely related to the organisational strategy are these policies?

It could be said that they are directly related to the overall organisational strategy and mission because the impact a strategy or policy had on an individual can vary from person to person. As an example of this, a customer utilising one of the newly launched products could mean they live longer, or an employee could have felt better through their participation in the cycle-to-work scheme, or a researcher could do more with improved resources and facilities and potentially find a cure for an illness.

Therefore, it can be said that on a relative basis, that GSK were successful in aligning their organisational strategy and their change management initiatives during the period January to December 2007.

Analysis of GSK's organisational strategy, overall aim, strategic priorities and the change management strategies implemented during the period January to December 2008

Organisational Strategy: Grow, Deliver, Simplify

Strategic priorities: Grow a diversified global business, deliver more products of value and simplify the operating model.

Overall aim: To improve the long-term financial performance of GSK.

Below is a list of strategies that GSK have undertaken in the period January to December 2008. These strategies have been categorised into one of six primary areas, Customer Focus, Employee Commitment, Reorganisation and Financial Savings, Acquisitions, Competition, and Collaborations.

1 - Customer Focus:

- Introduction of patient savings card to help customers purchase HIV medications.
- Implementation of anti-malaria treatment for 16,000 children in Africa through collaboration with The Bill and Melinda Gates Foundation.
- Launch new products – *Treximet* migraine pain relief medication, *Luzcozade Alert*, a consumer healthcare product, *Requip XL* a treatment for Parkinson's disease.

2 - Employee Commitment:

- Continued emphasis on the importance of obtaining feedback from staff.
- Launch of a pilot employer paid nutritional advice service, with the aim of improving the long-term health of staff.
- Implementation of a car discount scheme for employees that allow staff to purchase or lease cars at discounted preferential rates.

- Introduction of a project management training programme to educate and improve staff skills in the area of project management.
- Internal communication of financial details with its staff using a variety of tools, including face-to-face, posters, intranet and emails.
- The provision of financial planning and career support to staff who take up offers of redundancy or early retirement.

3 - Reorganisation and Financial Savings:

- Focus on the removal of unnecessary processes and structures which slow down and distract from the mission.
- Simplify the organisation to improve alignment with business priorities.
- Create Discovery Performance Units.
- Create one single global commercial support structure.
- Create a single Head Quarter for US operations in North Carolina.
- Implement systems and processes that simplify operating models, clarify roles and responsibilities and improve prioritisation and decision making skills.
- Review schedule of external design suppliers, the first time since 2004.
- Create partnerships to produce financial savings and improve productivity.
- Closure of unsustainable facilities.
- The development of a Project Management Resource Centre.
- Expand innovation strategies to develop and build a pipeline of products that allow for a sustainable flow of new products.
- Resource sharing: refocus marketing to promote Consumer Healthcare business products in the areas of over-the-counter, oral health care, and nutritional healthcare.

4 – Acquisitions:

- Sirtis Pharmaceuticals.
- Genelab Technologies.

5 – Competition:

- Expansion into the Japanese emerging markets with a view to launch more than 40 products in Japan in next five years.
- The development of a high barrier to entry for competitors.

6 – Collaboration:

- Improve internal communication channels through the development of various tools, such as intranet, development of Ambassador Community, GSKtv, interactive multimedia, and an induction programme.
- Expand collaborations with external partners, including academia and other drug discovery alliances.
- Enter into partnership with Aspen Holdings of South Africa and Santaris Pharma.
- Cooperate and collaborate with regulatory bodies such as The Dutch Health Inspector, The EU Commission, UK's Serious Fraud Office (SFO) and The US Food and Drug Administration.

Analysis of the relationship between the Organisational Strategy and the change strategies implemented by GSK during the period January to December 2008.

GSK's organisational strategy seems to have changed this year. GSK seem to be now more strategically focused on growing the business, delivering value and simplifying operations. The strategic priorities identified seem to strengthen the new organisational strategy.

The organisation has been explicit in its focal readjustment and has clearly had no problem showing that implementing strategies which are more business centred, driven by performance and that improve the longevity and profitability of the organisation, are now its driving goals. Looking at the overall aim identified by the organisation reinforces this concept.

Applying the organisational strategy, strategic priorities and its overall aim to the policies implemented, we can see that during the period January to December 2008 GSK was concentrating on implementing a significant amount of restructuring policies and cost-saving measures. This is further supported by the extent and scope of the reorganisational strategies that were implemented. These ranged from the development of new research units and training centres, the reorganisation of its US operations, the closure of unsustainable facilities to the implementation of new organisational-wide systems and processes.

The next focal area seems to be in the area of improving employee engagement and commitment to curb the effects of rivals poaching their talented human resources. The strategies covered areas ranging from the promotion of leadership and mentoring schemes to improve skills and knowledge of employees, the operation of voluntary reward schemes that included significant employee discounts on various transport systems to the improvement of its internal communication systems.

With all this restructuring taking place, it should be noted, that the organisation does not seem to have lost its focus on the customer. It has applied strategies that provide value to its customers, such as making available new products and medicines. The organisation has also kept Corporate Social Responsibility on its agenda, and put in place schemes that allowed many societies to benefit from its need to be more socially conscious.

Has GSK been successful in the execution of its organisational strategy to Grow, Deliver, Simplify?

Purely based on its reorganisation strategies, it can be said that GSK has been successful in its attempts to Simplify its operations. When considering the Grow aspect of the organisational strategy, we can see that GSK has diversified by expanding into emerging markets (Japan), grown by acquiring Sirtis Pharmaceuticals and Genelab Technologies and expanded its knowledge by creating partnerships with Aspen Holdings of South Africa and Santaris Pharma.

Looking at the goal to Deliver more products of value, it can be said that this has also been met through the launching of the new products, however limited in range and quantity.

Are these strategies related to the organisational strategy and its overall aim?

Bearing in mind the organisational goals to Grow, Deliver, Simplify, it is possible to say that these strategies are related to the organisational strategy. It could be argued, however, that some strategies implemented were closer related to the organisational strategy than others. The author has noted that strategies that help GSK to Grow and Simplify seem to be more prominent than the extent of strategies applied that would help meet its goal to Deliver more products.

GSK were successful in meeting its organisational strategy during the period January to December 2008, however to a lesser degree than it did in the previous year. The author feels this was down to the organisation being more focused on its restructuring and cost-saving programmes than on delivering products that customer would value or buy.

Analysis of GSK's organisational strategy, strategic priorities and the change management strategies implemented during the period January to December 2009

Organisational Strategy: Grow, Deliver, Simplify

Strategic Priorities: Grow a diversified global business, deliver more products of value, simplify the operating model.

Below is a list of strategies that GSK have undertaken in the period January to December 2009. These strategies have been categorised into one of six primary areas, Customer Focus, Employee Commitment, Restructuring, Acquisitions, Greener Environment, and Collaborations.

1 - Customer Focus:

- Develop the business customer service focus.
- Work closer with outsiders to develop alliances that allow for improved access to medicines, such as the provision of discounts on certain prescription medication, placing price caps on patented medication and increasing funding for health programmes.
- Reduce the cost of patented medication to 50 underdeveloped countries.
- Reinvest sales profits made in underdeveloped countries back into its health infrastructure.
- Deliver more new medicines - 12 new product approvals.

2 - Employee commitment:

- Creation of a learning culture that embodies GSK values and behaviours.
- Develop and encourage internal two-way communication.
- Implement strategies that identify and develop highly skilled leaders.
- Launch of a First Line Leader programme for all new leaders.
- Launch of an organisational-wide mentoring scheme.

- Develop employee skills in areas such as team working, personal resilience, ergonomics and Energy for Performance.
- Continued commitment to flexible working arrangements that enable employees to manage work-life balance obligations.
- Implement rewarded systems that support and develop employees who have delivered strong results.
- Implement proactive talent acquisition initiatives to recruit talent.
- Develop contingency plans that identify successors for both senior and all critical positions.
- Enhance the organisational commitment to health, safety and environment.

3 - Restructuring:

- Focus on broadening and strengthening the product portfolio.
- Focus on developing strategies that enhance research opportunities for neglected tropical diseases.
- Implementation of an organisational-wide cost-cutting restructuring programme.
- Cut the amount of funding made available to Commercially Provided Continuing Medical Education Programmes.
- Develop new ways of working to simplify the business and achieve greater efficiencies.
- Establish New Product and Global Supply sites.
- Develop smaller Discovery Performance Units which focus on a particular disease.
- Utilisation of new technologies that drive for innovation, lower costs and provides flexibility in operations.
- Resource Sharing: Sharing technical competencies to support rapid and successful new product introduction.
- Reduce costs on Research and Development where the success of registration and launch of medicines are low.

4 – Acquisitions:

- Acquisition of skin care specialist Stiefel Labs for £2.3 billion.

5 - Greener Environment:

- Increase the usage of recycled packaging used in products. Ribena bottles now made from 100% recycled packaging.

6 – Collaboration:

- Create strategic alliance with Concert Pharmaceuticals.
- Create strategic alliances between Pfizer and GSK to merge the two companies' HIV businesses.
- Ending of collaboration between GSK and Synta.
- Collaboration with pharmacists to train and inform them on the correct procedures to follow when selling alli, GSK's new anti-obesity treatment.
- Collaborate with The US Food and Drug Administration.
- Work closer with Governments in order to meet the needs associated with the delivery of a global H1N1 flu vaccine.
- Develop drug discovery collaborations with academia and the biotech industry.

Analysis of the relationship between the Organisational Strategy and the change strategies implemented by GSK during the period January to December 2009.

The organisational strategy that GSK is carrying out for this period is the same as the previous year. The organisation seems to be continuing its concentration on the goals of Growing a diversified business, continued Delivering of products of value and Simplifying the operating models.

Considering the analysis of the previous year's organisational strategy, it seems that GSK intends to continue in its endeavour to grow the business. Last year they introduced new ways of working and restructuring programmes and this year we can see that GSK seems to be extending their approach to change management and reorganisation of the business into the period January to December 2009.

Has GSK been successful carrying out its goals to Grow, Deliver, Simplify?

During the period January to December 2009, we can see that GSK have again been busy concentrating on its restructuring strategies and on improving its relationship with its employees. With the creation of its New Product and Global Supply sites and the launch of smaller Discovery Performance Units that focus on a particular disease, GSK have Grown the business to allow it to be able to deliver new products of value to its customers. It has cut costs by reducing the funding it makes to certain educational programmes and research and development systems, while also improving its processes by utilising new technologies and the reallocation of resources, such as technical and human, all of which help to Simplify its operating model.

When looking at how to improve its employee engagement levels, GSK decided that communication and leadership was the best approach this time around. They were focused on improving its communication paths, implementing new training and development systems that would allow for the growth and engagement of its staff, encouraged flexibility and developed new strategies that would allow it to source and retain skilled talent. With these strategies in place, GSK helped to meet its strategic goal of Growing the business, both extrinsically and intrinsically.

As regards the goal of delivering more products of value, it can be considered that GSK achieved this by its acquisition of Stiefel Labs and the collaborative allegiances it created with Concert Pharmaceuticals and Pfizer. The introduction of price caps on patented medications, the discount scheme on certain prescription medications, and the achievement of approvals for 12 new products, all helped GSK to further drive for the Delivery of products of value.

Bearing in mind the diverse range of strategies implemented, it can be said that GSK's organisational strategy and its overall aim are both directly and indirectly related to the organisational goals and strategic priorities

It seems that from the findings put forward, GSK have been more successful this year in meeting its overall strategic aims. This can be said because the strategies that it utilised this time around took into account all three aspects of its organisational strategy. Where last year the organisation seems to have been heavily focused on reorganisation and cost cutting to Grow and Simplify, this year they seem to have realised that strategies which contribute to their goal of Delivering more products of value are just as important.

Analysis of GSK's financial data for the period January 2007 to December 2009

GSK's implemented strategies during the period January 2007 to December 2009 have made some financial adjustments to the organisations overall figures. If we look at the data on its staffing, we can see that the organisations reduced its European employee numbers while at the same time increased its employee numbers in the category *rest of the world*. This is consistent with their strategies to expand into emerging markets, such as Japan, and with their strategies relating to acquisitions.

From the data relating to the expenditure GSK made on its employees, including salary and other expenditure, we can see that an overall reduction was made over the three year period. This is again consistent with the organisations restructuring programme which meant closure of facilities, a reform of its systems and processes and the utilisation of modern technologies that would help it to cut costs and increase efficiencies.

GSK has also spent much time on acquisitions and building strategic alliances with competitors in order to grow its product portfolio and to reduce the pressures being placed on it by rival organisations, while simultaneously increasing the barrier of entry for potential new competitors. GSK spent on average £2.219 billion on investments and acquisitions during the period January 2007 to December 2009.

The stock market was also watching GSK's change initiatives and acquisition strategies and saw the potential for profit that could be made from investing in GSK shares. Because of this, GSK's share price grew steadily during this period, with a growth from £12.79 to £13.20 in a three year period.

With these savings, GSK managed to increase its global operating profit. Their financial data showed this increased from £7.593m at year end 2007 to £8.425m at year end 2009. It can be said that this was as a result of the strategies it implemented around its restructuring programme, acquisitions, strategic alliances and product launches.

Conclusion

Conclusion

The main aims of this research document were to investigate the correlation that exists between change management strategies and an organisation's strategy, while also considering the extent to which they are related and the influence they have on each other.

The objectives were to establish how an organisation which was operating in a volatile economic environment and had externally induced pressures placed on it responded to these challenges. The approach an organisation took, whether it was implementing change, whether it responded to challenges on a reactive or pro-active basis, if the change strategies it did put in place were directly or indirectly related to its organisational strategy and if these responses were successful or not are all aspects that were under investigation.

The literature review conducted on the topic of change management has highlighted the following theoretical conclusions:

1. Tangible change management occurs in an organisation that effectively utilises its enablers of change.
2. Enablers of change can affect the productivity and longevity of an organisation.
3. Organisations should concentrate on growing and developing its enablers of change long before they attempt to implement change management strategies.
4. The extent to which these enablers of change are developed are key to how successful an organisation will be when implementing change management initiatives.
5. An organisation that puts into operation change management strategies as a reaction to crisis on underdeveloped enablers to change will not reap the maximum benefits of these strategies.
6. What an organisation does to respond to crisis is dependent on the focus, flexibility and collaboration it has and the degree to which these are developed and integrated into the systems and processes of the organisation.

7. Change management initiatives can vary from uncomplicated strategies, such as managers employing compassion when interacting with employees, particularly when giving bad news, to strategies which may be more complex in nature, such as re organisation of business structures.

Putting these conclusions in the context of the research aims and objectives, that being establishment of what the relationship between organisational strategy and change management initiatives are, the author can conclude, on a theoretical level, that there is a strong link between how an organisation utilises, grows and develops its enablers of change and the impact change initiatives have on the on the success of the organisation and the ultimate success of the organisation in achieving its Organisational Strategy.

Putting these conclusions into a practical situation, we can also see the strong relationship that exists between change management strategies and an organisation's strategy. Comparing the relative success of GSK's change strategies and how closely related they were to the organisation's strategic goals, we can see that not only was the link between the two close, but the two were in fact dependent on each other. One does not necessarily follow the other, they are so closely linked that sometimes it can be difficult to establish which one came first.

In 2007 GSK stated that their primary concern, or its Organisational Strategy, was to improve the quality of human life. Their change strategies reached out to the over-the-counter sector, prescription medicine sector and communities in underdeveloped economies to name a few. It could be said that their organisational strategy provides a basis for the evaluation of how successful they were in their implementation of change initiatives and strategies.

In 2008 GSK's Organisational Strategy changed to one that wanted to Grow a diversified global business, Deliver more products of value and Simplify the operating model, which was also the strategy followed in 2009. The organisational focus now moved to one which was primarily concerned with securing the financial position and the longevity of the organisation, and then on providing products which could be valued by its customers.

A point of note, however, is that change strategies which are responsive to external factors and that were not planned for or intentionally devised by an organisation's strategic management team at the outset of the year should not be excluded when considering the relative success of the organisation in meeting its organisational strategy.

An example of this is the collaboration that GSK gave external organisations and regulators, such as The US Food and Drug Administration, The EU Commission, UK's Serious Fraud Office, The Dutch Health Inspector, global Governments (in the context of the H1N1 flu vaccine programme) and pharmacists, all of which seem to be as a direct response to issues highlighted by external investigations and environmental developments beyond GSK's control.

Bearing in mind the conclusions of the literature review, the evidence put forward in the research methodology findings and in the analysis of these findings, the author can conclude:

- There is a strong relationship between change management strategies and an organisation's strategy.
- This relationship is an interdependent one, with both factors influencing and relying heavily on each other.
- Both expected and unexpected external change pressures and factors also influence what organisational strategy and change management initiatives will be implemented.
- The ultimate success of an organisation is dependent on how strongly its enablers of change are developed, how it utilises these enablers to respond to external (and internal) pressures and how it integrates its enablers of change with its focus, goals and organisational strategy.

Recommendations

Recommendations

As a result of this research document, the author recommends that organisations who may be considering re-evaluating their organisational strategy and implementing organisational wide change could adopt the following approaches to help them succeed in their endeavours:

- Conduct a SWOT analysis to establish your strengths and enablers of change.
- Ascertain how integrated to your organisational key focal areas these enablers of change are.
- Consider enhancing and developing your enablers of change before thinking about implementing change strategies
- Look at the external environment and conduct a projection of how the environmental factors (including economic factors) could affect the organisation. Develop contingency plans that can be implemented should the need arise.
- Don't forget that the ultimate success of the organisation depends on how integrated its organisational strategy, its enablers of change and change initiatives are.

The current worldwide recession that has gripped global economies is unprecedented. This has shown that there is a distinct lack of material and resources that organisations (and academics) can turn to when looking to implement strategies that will help an organisation navigate its way through tough times. To reduce this gap, the author suggests that further and more indebt academic research is conducted into the provision of advice, guidance and strategies that organisations can implement change during a recession.

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Appendix

Survey

Thank you for taking time to complete this survey.

Instructions for completing the survey:

This survey is split into three sections, (a) Flexibility, (b) Collaboration and (c) Organisational Focus.

Please tick the box assigned to each statement you feel is relevant to GSK.

If you feel the statement does not apply to GSK please leave the box assigned to the statement blank.

Please be assured that your privacy is guaranteed and that any information you provide in this survey will be treated with the upmost confidentiality.

The data provided in this survey will only be used in conjunction with other data supplied from other sources and will not in any way reveal the identity of participants.

(a) Flexibility

Please indicate as appropriate from the below list which statement(s) in your opinion is relevant to GSK:

My work involves working unsocial hours (i.e weekends, evening, nights) ☐

GSK provide the option to employees to take flexitime, job share or part-time work ☐

GSK responds quickly when change needs to be made ☐

GSK is continually looking for new opportunities ☐

In the last 4 years GSK has developed new units or centres of excellence..... ☐

In the last 4 years GSK has changed CEO or equivalent ☐

In the last 4 years GSK has reduced its layers of management ☐

In the last 4 years GSK has reduced its overall staff numbers ☐

During the last 4 years GSK introduced improvements in the workplace which lead to significant improvements in the way work is carried out (i.e. new ideas, processes or systems?) ☐

How many new products has GSK launched in the last 4 years?

1-4 ☐ 5-10 ☐ 10-15 ☐ Don't know ☐

(b) Collaboration

Please indicate as appropriate from the below list which statement(s) in your opinion is relevant to GSK:

GSK encourages employees to cooperate with people in other organisations ☐

New ideas are readily accepted in GSK ☐

GSK encourages teamwork in order to improve performance ☐

I am familiar with GSK's organisational strategy both past and present ☐

I am very aware of the difficulties facing GSK ☐

I understand the reasons behind the introduction of change strategies ☐

Who provides you with most useful information concerning your workplace?

Management or supervisors ☐ Trade unions or staff associations ☐

Grapevine ☐

I receive information on GSK's budget ☐

I receive information on plans to change work practices ☐

I receive information on plans for staff reduction ☐

I would be willing to work harder than I have to in order to help GSK succeed ☐

I would take almost any job to keep working for GSK ☐

I would be willing to accept change ☐

(c) Organisational Focus

Please indicate as appropriate from the below list which statement(s) in your opinion is relevant to GSK:

- | | |
|--|--------------------------|
| I am aware of acquisitions made by GSK in the last 4 years | <input type="checkbox"/> |
| GSK has plans in place that will help it to respond to potential crisis | <input type="checkbox"/> |
| GSK uses succession plans that allow it to promotes staff to senior and all critical roles | <input type="checkbox"/> |
| GSK is prepared to take risks in order to be innovative | <input type="checkbox"/> |
| GSK introduced new or significantly improved products in the last 4 years.. | <input type="checkbox"/> |
| GSK has continued to promote the area of Research and Development | <input type="checkbox"/> |
| GSK has broadened its range of products in the last 4 years..... | <input type="checkbox"/> |
| In the last 4 years GSK has expanded into new markets (e.g Japan, Brazil) | <input type="checkbox"/> |