Organizational Change and Justice: The Impact of Transparent and Ethical Leaders

Janelle E. Wells
University of South Florida

Nefertiti A. Walker
University of Massachusetts–Amherst

In the sport industry, one thing that is constant is change. Since numerous forces may drive and guide the change process, the goal of this study was to examine ethical leadership, transparency, and organizational justice during an organizational change of a consolidating National Collegiate Athletic Association (NCAA) Division I men’s and women’s athletic department. Framed from the organizational change, ethical leadership, and organizational justice literature, this qualitative case study included interviews from nine university stakeholders and analysis of public documents published over the last decade. Results revealed transparent ethical leaders in an instrumental climate espoused positive organizational justice perceptions. In addition, employees’ perceptions of transparent ethical leaders and positive organizational justice helped champion favorable responses to the organizational change. Implications of this research include encouraging intercollegiate athletic administrators to consider the security and well-being of stakeholders, which helps garner favorable responses during an organizational change.

Keywords: ethical leadership, organizational change, organizational justice, intercollegiate athletics

Sport organizations are “constantly reorganizing, restructuring, attempting to change the organizations’ culture, re-envisioning strategy, revamping policies and procedures, or replacing key leaders and other personnel as a result of various external and internal pressures” (Welty Peachey & Wells, 2015, p. 151). The pressure to change can stem from societal interests, fluctuating economic conditions, technological advancements, and globalization of sport (Cousens & Slack, 2005). Thus, sport organizations have learned to survive and grow by adapting their strategy, environment, technology, and size (Slack & Parent, 2006). Sports, in general,
have mirrored global trends and justifications among business organizations when experiencing an organizational change such as a merger (Boen, Vanbeselaere, Pandelaere, Schutters, & Rowe, 2008). A highly integrated organizational merger usually focuses on strategies to reduce redundancies in function, personnel, or cost (Citera & Rentsch, 1993).

Mergers in intercollegiate athletics have been on the rise since the enactment of Title IX in 1972. In particular, over the last 15 years, all but one men’s and women’s National Collegiate Athletic Association (NCAA) Division I athletic department have merged. In 2002, the University of Minnesota-Twin Cities merged its men’s and women’s athletic departments in an effort to save an estimated $9.5 million (Suggs, 2002). A year later, Vanderbilt University eliminated the athletic director position, and fully integrated functions of the athletic department, such as fundraising and marketing, into the greater university infrastructure (Engel, 2007). Then in 2004, after a decade of transitioning, Brigham Young University completed the final stages of merging the athletic departments when athletic administrative structures were combined to streamline operations and cut cost (Suggs, 2004). In 2008, the University of Arkansas consolidated athletic programs into a single administrative unit to streamline budgets and optimize administrative processes (Focil, 2007). Most recently, the University of Tennessee merged its men’s and women’s athletic departments into a single department.

Mergers based on duplicative services are not just limited to athletic departments. In today’s financially focused business models, Cole (2016) foresees over the next 25–30 years athletic department mergers may move to academic association mergers to enhance the overall capabilities of institutions. As such, with the above mentioned trend toward future mergers and greater interest by researchers examining merger success from the perspective of employees (see Terry, 2003; van Knippenberg & van Leeuwen, 2002), fans, and players (see Boen et al., 2008), it is important to understand stakeholders’ perceptions during a merger. Thus, our research will add to the literature by focusing on NCAA Division I employees’ perceptions of transparent ethical leadership and organizational justice during a merger.

Since leaders play a central role in implementation and support through organizational change (Whelan-Berry, Gordon, & Hinings, 2003), employees expect the guidance and integrity of leaders (Li, 2005). The belief that a leader has integrity provides followers with the confidence that “the leader will lead honestly, appropriately, and consistently in line with current plans and promises” (Moorman, Darnold, & Priesemuth, 2013, p. 427). While Durand and Calori (2006) indicated the importance of ethical behaviors during a change process, besides Sharif and Scandura (2013) the existing literature has neglected to examine the role of ethical leadership during organizational change (Armenakis & Harris, 2009).

One behavior, if present, which may influence employees’ perception of a leader’s ethical behavior, is management’s transparency during an organizational change. Transparency is a virtue accompanied by clarity, openness (Murphy, Lacziak, & Wood, 2007), and disclosure of information or availability (Palanski, Kahai, & Yammarino, 2011). When there is transparency during the change efforts employees feel they have direct involvement by voicing their opinions (Fedor, Caldwell, & Herold, 2006), which gives them a greater sense of control (Morgan & Zeffane, 2003).

While the organizational change and leadership literature suggests leaders’ behaviors influence employees’ responses to change (Furst & Cable, 2008), scant
literature has examined justice perceptions during a change process. While research on fairness and equity has been conducted for over 40 years, organizational justice research in sport management (e.g., Hums & Chelladurai, 1994a; Mahony, Hums, Andrew, & Dittmore, 2010) has just gained traction over the last two decades. Researching organizational justice has been a salient endeavor because of the social construction of justice and the subjective perception of fairness. Furthermore, the evidence connecting organizational justice perceptions to outcomes such as job satisfaction, organizational commitment, job performance, organizational citizenship behavior, and trust have received notable attention (see Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Mahony et al., 2010). As such, exploring management’s (i.e., athletic administrators in an intercollegiate athletic department) transparency during an organizational change may reaffirm the existing organizational justice perceptions. Thus, to answer the call for further attention to perceptions of ethical leadership in intercollegiate athletics (Burton & Welty Peachey, 2014), we undertook a case study within a recently merged NCAA Division I intercollegiate athletic department to examine employees’ perceptions of transparent ethical leaders and all the principles of organizational justice. The research was guided by two research questions:

1) How do ethical leadership and transparency influence employees’ organizational justice perceptions during an organizational change?

2) How do ethical and transparent leaders, and perceptions of organizational justice, influence responses to organizational change?

**Conceptual Framework**

To help understand the process and results stemming from a merged athletic department, this study draws from various literature bases to form a conceptual framework guiding the study. We ground this research in organizational change literature, complemented with ethical leadership and organizational justice scholarship.

**Organizational Change**

Jick and Peiperl (2003) defined organizational change as a planned or unplanned response to developmental, transitional, or transformational forces. When natural growth of updating a sport organization’s policies and procedures occurs it is referred to as developmental change (Welty Peachey & Wells, 2015). The most common nature of organizational change is a slow evolution known as transitional change. Allowing employees flextime or the ability to work from home are examples of transitional change. Unfortunately, time constraints and environmental pressures may not allow a transitional change; therefore, an organization may be forced to make radical alterations, known as transformational change (Welty Peachey & Wells, 2015).

In addition to forces of organizational change, researchers have examined the characteristics of and reactions to an organizational change process (Schweiger & Denisi, 1991). When employees’ reactions are considered before an organization’s change effort, the change process is more likely regarded as successful (Piderit, 2000). Although Schweiger and Denisi (1991) found most employees react
negatively to organizational changes, specifically mergers, a leader’s commitment helps motivate followers to develop a positive attitude and overcome poor fit leading to better performance (Weber, 1996). In particular, an ethical leader guiding the change effort has been found to positively impact employees’ work-related attitudes and performance (Sharif & Scandura, 2013).

As noted in the business literature, researching the complex, multilevel process of organizational change has been a salient endeavor, but it has only recently gained the interest of sport researchers. Although scant researchers have examined organizational change in the sport industry, those that have focused on forces driving change (Cousens & Slack, 2005; O’Brien & Slack, 2003; Welty Peachey & Bruening, 2011), stakeholder responses to change (Amis, Slack, & Hinings, 2002; Welty Peachey & Bruening, 2012b), and the leadership styles guiding the change effort (Welty Peachey, Bruening, & Burton, 2011). Similarly, and most recently, Hutchinson and Bouchet (2014) examined organizational change through the lens of de-escalating commitment for intercollegiate sport organizations. Specifically, this work (Bouchet & Hutchinson, 2011, 2012; Hutchinson, 2013; Hutchinson & Bouchet, 2014) used significant organizational change scenarios, such as reclassification from NCAA Division I, removal of a football program, and the restructuring of an athletic department to examine de-escalating commitment. These studies have informed and extended previous perspectives on organizational change and its influence on intercollegiate sport organizations. However, the growing organizational change sport literature has neglected to investigate the role of transparent ethical leadership and organizational justice during an organizational change.

**Transparent Ethical Leadership During an Organizational Change**

Burnes and Todnem By (2012) posited ethical leaders who plan organizational change want the change to be ethical and transparent, which provides a positive orientation toward a change agent and influences an employee’s response, whether reluctant or not, to the change process (Oreg & Sverdlik, 2011). When employees are encouraged to participate, they perceive their leader to be ethical (Sharif & Scandura, 2013). Brown, Treviño, and Harrison (2005) described ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships” and “the promotion of such conduct to followers through two-way communication, reinforcement, and decision making” (p. 120). While the first portion of the definition aligns with the moral behavior of a leader, the second portion goes beyond this judgment to the responsibility of reinforcing ethical behavior to followers.

Characteristics of ethical leaders include both personal qualities and modeling behaviors. For example, the qualities of an ethical leader include honesty, fairness, trustworthiness, and care, and modeling behavior includes disciplining unethical behavior, and rewarding positive ethical behavior (Brown, 2000). Most recently, Brown and colleagues (2005) suggested ethical leaders use unambiguous communication, which we refer to as transparency. Transparency is a virtue related to business ethics (see Palanski et al., 2011), an aspect which includes social relations as justice (Folger & Cropanzano, 1998).
Transparent leaders have been described as having a genuine interest in soliciting input, indicated by transparent communication with their followers (Avolio et al., 2004). When leaders display transparent behaviors such as requesting information, following through on suggestions, and responding to criticism, implicit promises may be interpreted by followers, while the leaders’ actions exhibit integrity (Simons, 2002). Transparent leaders considerably influence their followers, which allows for greater identification with the leader’s behaviors (Avolio et al., 2004; Walumbwa et al., 2010). Thus, given the setting of a merged athletic department residing under one athletic director, inherently, transparency may create more effective leader-follower dyadic relationships (Barry & Crant, 2000) and possibly greater positively perceived organizational justice during an organizational change.

Justice and Organizational Change

To answer Mahony et al.’s (2010) call for future organizational justice research, this study examined factors such as ethical leadership, transparent leadership, and perceptions of organizational justice, to better understand their influence on intercollegiate sport administrators’ responses to organizational change. While most of the organizational justice literature fundamentally describes three justice principles: distributive, procedural, and interactional (Colquitt et al., 2001; Mahony et al., 2010), Colquitt and colleagues (2001) revealed four distinct principles of organizational justice: distributive, procedural, interpersonal, and informational justices, which are discussed below.

Distributive Justice. When an employee perceives fairness of the outcome he or she receives based on comparing input to outcome ratios it is known as distributive justice (Folger & Cropanzano, 1998). In the sport context, organizational justice research has focused primarily on distributive justice. Hums and Chelladurai (1994a; 1994b) were two of the first researchers in sport to investigate NCAA administrators’ and coaches’ perceptions of resource allocations. While gender and NCAA division differences existed, results revealed need and equality of treatment were consistent across NCAA divisions and gender. Mahony and Pastore (1998) followed suit by examining 20 years of NCAA institutions’ revenues, expenses, and participation opportunities. Results revealed the need factor did not appear to be implemented when making distributions. To further the inconsistent distributive justice literature in sport, Mahony, Hums, and Riemer (2002) interviewed decision makers, athletic board chairs and athletic directors, who indicated the need factor was the most fair. This led Mahony, Hums, and Riemer (2005) as well as Patrick, Mahony, and Petrosko (2008) to research the definition of need as a lack of resources. Most recently, Mahony and colleagues (2006) surveyed college students and the New Balance organization while Kim, Andrew, Mahony, and Hums (2008) examined student-athletes’ distributive justice perceptions, and the results continued to support need and equality of treatment as the most fair.

Procedural Justice. Procedural justice focuses on the perceived fairness of the decision making processes (Folger & Cropanzano, 1998). To increase the perceived fairness of procedures, decision makers should be consistent, ethical, and allow employee input (Leventhal, 1980). In the sport setting, limited procedural justice investigation has revealed the importance of fair, consistent rule applications.
(Greenberg, Mark, & Lehman, 1985), selection processes (Stevenson, 1989), and sport participation (Whisenant, 2005). According to Stevenson (1989) a uniform selection procedure did not exist among national teams from Canada, Great Britain, and England, which caused bitterness and frustration among athletes. More recently, Whisenant (2005) revealed differences between high school sports and perceptions of procedural justices. When considering grade levels, upperclassmen perceived higher levels of procedural justice.

**Interactional Justice.** While some scholars (Greenberg, 1993) suggested interactional justice is conceptually similar to distributive and procedural justice or is a component of procedural justice (Cropanzano & Greenberg, 1997), interactional justice is centered on interpersonal communication and treatment while executing procedures. Two subsets of interactional justice exist in the literature. The first, identified as informational justice, refers to the perceived fairness individuals feel based on the social accounts of the justification and truthfulness of the explanation (Colquitt et al., 2001). The second, identified as interpersonal justice (Greenberg, 1993), reflects the degree to which individuals are treated with dignity, politeness, and respect.

When reacting to authoritative figures, Bies and Moag (1986) posited individuals rely heavily on informational and interpersonal justice perceptions. As such, during an organizational change when opposition may be due to differences in needs, interests, or motives (Furst & Cable, 2008), management may use informational and interpersonal justices to consider employees’ reactions to lessen the resistance and enhance their well-being. Particularly, employees with an active role in the organizational change efforts tend to have more positive feelings concerning the change (Furst & Cable, 2008).

In the sport literature, Whisenant (2005) revealed interpersonal justice had the greatest impact on student-athletes’ intent to continue participating in sport. Specifically, the level of dignity and respect student-athletes perceived from their coaches impacted their level of commitment to the sport. For example, Jordan, Gillentine, and Hunt’s (2004) coach-athlete dyadic relationship study revealed strategies such as encouraging employees to have a voice in decision-making processes and communicating necessary information to employees leads to team unity, commitment, satisfaction, effort, and willingness to help. Not only are these strategies important for daily operations, but Rhodes, Pullen, and Clegg (2010) indicated the importance of having employees actively partake in discussions and debates throughout an organizational change.

In summary, ethical leaders who plan an organizational change want the change to be transparent. In addition to ethics, when decision makers are consistent and allow employee’s input, organizational justice researchers note a positive orientation toward the change agent (Oreg & Sverdlik, 2011) and perceived fairness of the change (Leventhal, 1980). However, such outcomes of and responses to an organizational change are unknown when a merger occurs.

Thus, there is a gap in our understanding of transparency during a merger, and how a transparent ethical leader may influence employees’ organizational justice perceptions. In particular, in intercollegiate athletics, when a merger occurs how just are the reductions in functions, personnel, or cost perceived by employees?
Method

This research applied a case study design inclusive of nine interviews and ten document analyses of one trade journal, three newspaper articles, four memorandums, and two emails referencing the organizational changes to assess the complex organizational change processes and answer our research questions (Baxter & Jack, 2008; Yin, 2009). As suggested by Yin (2009), case studies are preferred when the researcher has little control over events and the phenomenon takes place within a realistic context (Baxter & Jack, 2008). This case study design is important because the process of an organizational change through a merger of organizational structures is applicable throughout management and sport.

Research Setting

The research site was a large NCAA Division I university in the United States that consolidated its men's and women's intercollegiate athletic programs into one athletic department. At the time of the research, the athletic department sponsored 18 sports (eight men’s sports and ten women’s sports). Separated since the late 1970s, divergent policies, philosophies, management, and websites were finally consolidated in 2011.

In 2001, the academic support unit transitioned from an athletic report to an academic provost report, thus the first step in consolidating the men’s and women’s athletic departments was initiated. Following the consolidation of the academic unit, the separate men’s and women’s ticket offices and marketing departments merged. Finally, in 2011 the first athletic director over one athletic department, inclusive of men’s and women’s sports, was appointed, and personnel changes began making news headlines. To allow time for integration, interviews were conducted one year after the athletic director was appointed.

Participants

Guided by the idea that individuals who had experienced the evolutionary decade-long change process could best address the research questions, the researchers purposely set the criteria as such: must have been an employee at the university throughout the entire organizational change. Researchers then used a gatekeeper, a person whom they knew at the university and who had access to the participants who fit the criteria, to recruit participants. A snowball sampling technique was administered until we reached data saturation.

All of the participants (N = 9) were assigned a pseudonym, and at the time of the research, remained with the organization after the merger. Five of the participants remained in the same position after the consolidation, while the remaining four had been reassigned to new positions. Four men and five women participated in the study (see Table 1 for demographic characteristics).

Procedures

Once an Institutional Review Board (IRB) approval was received, one author conducted semistructured interviews to investigate the experience of administrators and staff members. The nature of semistructured interviews allowed an open forum for participants to provide in-depth insight regarding their experience. In addition,
a search of organizational change media references from 2001 to the present day was conducted. Since portions of the merger were controversial and brought about litigation, a keyword search using terms such as consolidation, merger, intercollegiate athletics, organizational change, and the institution’s name was implemented. As such, only a few limited public documents focused on the structural changes remained. The public documents and the data provided by the institution (e.g., memorandums and emails) were weaved into the results.

### Data Analysis

Data were analyzed using a conventional content analysis to allow observation of codes from the data. Interviews were audio recorded, transcribed verbatim, and coded into themes using open and axial coding (Corbin & Strauss, 2008). The researchers used open coding of the transcriptions and documents to identify various events during the consolidation and to examine the nature of the climate and leadership (Corbin & Strauss, 2008). Axial coding followed the open coding process to categorize themes and concepts, which are presented in the results section. For example, open codes such as informed, information, communication, and meetings were all coded under the axial code of transparency.

<table>
<thead>
<tr>
<th>Pseudo Name</th>
<th>Gender</th>
<th>Identity</th>
<th>Title Before the Merger</th>
<th>Title Post the Merger</th>
<th>Degree</th>
<th>Organizational Tenure (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brady</td>
<td>Male</td>
<td>Men’s Athletic Administrator</td>
<td>Athletic Administrator</td>
<td>Bachelor</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Diana</td>
<td>Female</td>
<td>Women’s Athletic Administrator</td>
<td>Athletic* Administrator</td>
<td>Master</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Rosie</td>
<td>Female</td>
<td>Academic Administrator</td>
<td>Academic Administrator</td>
<td>Doctorate</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Jasmine</td>
<td>Female</td>
<td>Women’s Athletic Administrator</td>
<td>Academic* Administrator</td>
<td>Master</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Alexis</td>
<td>Female</td>
<td>Women’s Athletic Administrator</td>
<td>Athletic* Administrator</td>
<td>Master</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Tubby</td>
<td>Male</td>
<td>Men’s Athletic Administrator</td>
<td>Athletic* Administrator</td>
<td>Master</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Danielle</td>
<td>Female</td>
<td>Women’s Athletic Administrator</td>
<td>Athletic Administrator</td>
<td>Master</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Maxwell</td>
<td>Male</td>
<td>Academic Administrator</td>
<td>Academic Administrator</td>
<td>Doctorate</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Raymond</td>
<td>Male</td>
<td>Coach</td>
<td>Coach</td>
<td>Bachelor</td>
<td>15</td>
<td></td>
</tr>
</tbody>
</table>

*Note. To protect the anonymity of our participants we were unable to be more specific in specifying job titles. From an organizational chart perspective each of the athletic administrators was at the Assistant Athletic Director level or higher. One of the academic administrators reports to the President and the other two report to Chancellors.

*Denotes a change in scope of the job description and title
To enhance the study’s credibility and dependability, the researchers began transcribing immediately following the first interview until theoretical saturation was reached, and interpretations were confirmed through a raw data audit while the data were collected and analyzed (Lincoln & Guba, 1985). In addition, although one researcher analyzed the data, both authors met three times to check the axial coding to ensure face validity; only axial codes that reached a consensus were used. For instance, both authors agreed that open codes of communication and meetings fit theoretically and logically within the axial code of transparency. Finally, member checks were conducted with each participant’s transcripts and the researcher’s interpretations to enhance credibility of the conclusions.

Triangulation was an important part of the method. Often in case studies, researchers seek triangulation in an effort to support and substantiate the results. The single voice of participants from one particular setting or case is triangulated through other sources of data. In this case we used public documents (e.g., media reports) to legitimize results and interpret dissonant data. This is similar to recent qualitative research on intercollegiate sports and organizational change. Hutchinson and Bouchet (2014) in their efforts to triangulate data stated “physical documents (sources) and multiple investigators assisted in ensuring legitimacy” of their data (p. 353). Triangulation worked to integrate participant semistructured interviews and archival data (i.e., public documents) “for purposes of providing corroborative evidence and credibility” (Hutchinson & Bouchet, 2014, p. 353).

Results and Discussion

Data were organized into two primary findings: buying-in to the change and organizational justice. In addition, secondary findings emerged from the primary themes, which suggest that transparency of the organizational change and fairness regarding the treatment and well-being of the main stakeholders were the most influential factors of participants’ attitudes and responses toward the organizational change.

An Instrumental Ethical Climate Encourages Buy-In

All nine of our participants expressed verbatim quotes, comments, or ideas that were coded under instrumental ethical climate. An instrumental climate, one of five ethical climates (e.g., caring, social-legalist, organizational-legalistic, instrumental, and independence), is the condition where the organization expects employees to consider the greater good of the organization at any cost (Victor & Cullen, 1988). An instrumental climate encourages complete buy-in of organizational change or removal from the organization. Organizational members who did not show complete buy-in to the athletic department merger were asked to leave the organization. Not only does the organization itself suggest that employees consider the greater good that the athletic department merger will do for everyone as a whole in attempt to encourage buy-in, but employees themselves begin to justify their colleagues’ dismissal as an outcome of their resistance to the organizational change. At times, some employees even seemed to suggest their colleagues’ dismissals were necessary for the greater good of the organization, without considering the unintended consequences:
We did have to lay people off and let go of some of the staff when [the new athletic director] came in. [Those] people that were working here did not buy into the change and transition. They had every opportunity to buy-in and transition, but they did not and because of that, I think some of those people no longer work here.

Although this 20-year veteran, Alexis, lost senior staff members whom she spent well over a decade working alongside, she did not seem to express much remorse, because the atmosphere and environment of the department improved. Alexis felt the change was necessary and benefitted the organization as a whole, in a very positive way, which was a cost for the greater good of the organization. Furthermore, Alexis’ quote demonstrates how ethical climates affect a wide range of ethical decisions, and can positively impact employees’ work-related attitudes and performance (Sharif & Scandura, 2013) during an organizational change. The impact of an ethical climate is particularly important in intercollegiate athletic departments because of the multifaceted and layered structure.

Another participant, whose primary responsibilities were in student-athlete academic advising, also expressed the importance of buying into the organizational change because the change improved the organizational climate. Rosie, a 30-year veteran academic administrator who led the first phase of the merger in the academic unit, suggested buy-in positively influenced the greater good notion:

We had to have the buy-in of coaches, administrators, and students in terms of academic success. I listed all the responsibilities for each, sat down with [everyone], and went through the whole document and then everyone signed it. It was a set of expectations for each area. It was a tool to try to align responsibility and come together in agreement.

Rosie’s signed memorandums were a visible example of buy-in from the organizational staff. In addition, media references supported the importance of buy-in. For example, a newspaper article from the document analysis noted former 28-year veteran women’s athletic director “always want[ed] to be a part of the solution, not a part of the problem”. In addition, she was “fully in favor of combining departments and having one director”. Together, these interview quotes and public documents validate the necessity of all members of the organization buying-in to the change and emphasizes the importance of using ethical decision making to engage members in an organizational change (Sharif & Scandura, 2013).

The final example of buy-in and support for the organizational change comes from a description of the football coaches. Participants explained that before the merger, men supported and followed men’s sports and women followed and supported women’s sports. However, under the helm of one athletic director, men’s and women’s sports visibly began to support each other more. Danielle recalled an instance, where for the first time in her 23-year career, the football team initiated the support of the softball team:

It was not because prior football coaches did not care. It was because, you know, you did not have that type of communication [between the men’s and women’s departments]. Girls did their thing, and boys did their thing. For the
first time, every coach who was on campus, and every student-athlete who was available, was there to welcome our team home.

This participant is speaking about a scenario where the head football coach sent an e-mail suggesting all athletic teams and coaches meet the team’s bus, as they arrived from post season play. In addition, Alexis noted support initiated by a men’s team for a women’s team had never taken place before the consolidation of the athletic departments:

The culture now is as good as it has been since I have worked here to be honest. Our team played in the championship and lost. However, when that team came back, he [head football coach] has the entire football team go out and meet them. That has never happened here before. Now the all-around comradery is better.

Alexis’ example is another depiction of organizational members’ buy-in to support the organizational change of the merger. Such examples support Li’s (2005) notion that successful change efforts stem from employees’ confidence in the acceptance of the leader’s vision. Similarly, during the merger when staff was faced with employee opposition (Furst & Cable, 2008), participants felt that leadership constantly communicated and encouraged buy-in and led the department more efficiently with streamlined policies and equality for both men’s and women’s sports. Therefore, based on the aforementioned sentiments and the notion that the ethical climate influenced trust in the unified organization and the perception of organizational leadership and support, participants bought-in to the organizational change and considered the instrumental climate ethically sound.

Organizational Justice

The second theme which emerged from the data were organizational justice. The tenets of organizational justice were transparency of the organizational change and fairness regarding the treatment and well-being of the main stakeholders, the student-athletes. All nine of the participants provided comments or ideas that were coded as organizational justice.

Transparency. Transparency emerged as a facet of the organizational justice principles. Tubby, who was on the business side of the athletic department, felt that from a business perspective, transparency coincided with the perception of ethical decision-making, which research has shown is critical when attempting to engage in organizational change (Sharif & Scandura, 2013):

I felt that the change and the consolidation were transparent. I am a focal person. When told to do something that is what I am going to do. It is not that hard, unless I feel it is unethical or illegal, and I never saw anything that was questionable taking place. I felt that it [consolidating the men’s and women’s athletic departments] should have been done a while ago.

Likewise, Maxwell, who was a senior-level academic administrator given the task of managing the process of change felt transparency was an intricate factor in the successful consolidation of athletic departments when he stated “it was as transparent as you can make it. I mean our university operates in a transparent
environment. Everything was discussed at numerous board meetings, which are open to the public.”

Due to the scant research on the role of transparency in organizational change in sport, especially in intercollegiate athletics, this dimension was the most interesting result of this research and was discussed the most by all nine participants. In particular, participants expressed feeling the change was ethical due to its transparency, and that the on-going transparency increased the likelihood that participants would accept the change. For example, Alexis, who did not have direct influence on the process believed transparency was very important to the change process. While referencing an e-mail, she stated “transparency is and was very important. I think you need to be upfront with all your employees, but mainly your senior staff and then you can let your senior staff give the information as they see fit to their department.” Furthermore, in a newspaper article from the document analysis it was reported that the former women’s athletic director had informed personnel that “the split athletic departments are like driving a car that nobody makes anymore” and emphasized this “was a merger, not a takeover”.

Not only is it important that the leadership and the organization as a whole be transparent with those working within the organization, but Maxwell also believed it was important for stakeholders outside the organization, such as fans, to be informed:

I think you should make sure the fan base knows the reason for organizational change, and that it is not just going to benefit the program; but it is going to benefit the university and them as fans – it is going to make us more competitive. I think you have to keep people informed all along the way.

Maxwell’s reference reinforces Johnson’s (2012) suggestion that to be ethical and transparent, explanations of events and responses to stakeholders must have the right manner and content. Manner is a form of communications, which needs to (1) be truthful, (2) be sincere, (3) be timely, (4) be voluntary, (5) address all stakeholders, and (6) be in the proper context (Johnson, 2012). Furthermore, based on Colquitt’s (2001) findings regarding the dimensionalities of organizational justice, Palanski and colleagues (2011) claim transparency can be derived as informational justice, which entails timely and considerate communication for employees’ specific needs. As such, within the dimension of transparency, the themes of open and early communication developed as sources of transparency.

Through the document analysis a newspaper article reported personnel were informed the two programs were being combined to make the athletic department more efficient and streamlined during the struggling economy. A separate trade journal article echoed the fact that personnel understood the merger was a cost-saving merger. Diana noted leadership was “upfront with people about their positions and efficiency needed in the department, so some people were pulled one on one to tell them.” Such open communication early and often was important to the majority of participants, especially to Brady, a 20-year veteran, to ensure his understanding and comfort with the changes:

The day when he [AD] first came in, he met with every single senior staff member and talked about things. He met and gathered us and said, ‘We have people working in solitude and not communicating’ and he said, ‘we are not going to do that and if you do not want to be a part of that then you are not
going to last here’. He laid the importance of communication out within the first month of him being here.

Referencing multiple memorandums Rosie agreed “communication and buy-in is key. If there is a change going on I think you have to have stakeholders involved early in mapping out how that change is going to take place.” Jasmine also noted a memorandum and stated the importance of constant communication:

We had conversations with everyone. We had conversations with the entire department. We had conversations with consolidated departments. Some of that came from the president, some of that came from the athletic director, some of that came from the person responsible in assisting a particular department’s consolidation effort. I would say that there was lots of communication. I think the key is communicating the right message verbally, in writing, and in body language. You have to be sure that you are being fair.

Furthermore, Raymond referenced numerous emails where he felt that the leadership “constantly communicated with us, so that we could trust our leadership…and have confidence in the decisions that were being made.” The need for constant communication is vital in a multilayered organizational structure such as an intercollegiate athletic department. These quotes, memorandums, and emails came from individuals who were in decision-making positions, as well as those who were dealing with losing very close colleagues as an outcome of the consolidation. Nevertheless, having organizational leadership communicate the importance and need for the merger, as Jasmine and Raymond discussed, helps garner favorable employee response to organizational change (see Fried, Tiegs, Naughton, & Ashforth, 1996). Overall, the underlining concept was that communication is necessary in organizational change and communication was present in the consolidation of the women’s and men’s athletic departments.

Extending the idea of communication and specifically addressed below was this idea of symmetry as a component of transparency. Symmetry refers to maintaining balanced relationships based on two-way communication. Instead of leaders imposing their will on followers, they engage in symmetrical relationships to seek understanding and respond to the stakeholder’s concerns (Johnson, 2012). Transparency in meeting discussions encouraged symmetry. In agreement with Diana’s statement below, the majority of participants felt that throughout the change process, having staff meetings allowed them to openly communicate with the decision-makers, as well as understand the progression of change: “They met with the senior staff on cost cutting and efficiency. It is important to communicate with these positions and get that input. Now, you may not use what they tell you, but it’s important to communicate the changes.” Hosting transparent staff meetings where senior staff members hear explanations and justifications allow them to feel a part of the change process is a principle of informational justice (Colquitt, 2001).

Organizational members were not necessarily expecting to actually influence the final decisions that were made. However, having meetings where individuals could voice their opinions and have an open dialogue about the change, gave participants a sense of direct involvement (Fedor et al., 2006), control (Morgan & Zeffane, 2003), unity (Jordan et al., 2004), and value. As such, the reduced uncertainty of the merger process led intercollegiate athletic administrators to have
more favorable perceptions of the organizational change because they believed that simply having a meeting with open communication suggested that organizational leaders valued their opinion, experiences, and expertise. Our finding regarding the response of the employees is supported by prior theorizing and research. For example, Applebaum and colleagues’ (2000) posit employees may view a merger more favorably when leaders are attentive to employees’ concerns and convey clear guidelines surrounding the merger.

Open, early communication also suggested that the leaders were making the wisest decisions, which were informed by the experts within the organization, and with the well-being of the organization as a whole in mind. In short, the abovementioned statements echo Morgan and Zeffane’s (2003) sentiments that stakeholders are more prone to trust leaders who openly communicate and involve them in organizational change discussions. Without transparent information during an organizational change, especially a merger consolidating efforts, employees may not know what exactly could occur with their job position. Then, employees may have unclear expectations, which could result in negative responses and perceptions of the leaders, organization, and justice.

**Fairness.** Participants, particularly Alexis, were mainly interested in ensuring that decisions were fair and communicated to the organization:

> Before the merge, we may have been telling one of the women’s teams, ‘We’re not going to do that because of our budget’, while letting the same team on the men’s side do it. We do not have that anymore. Everyone is operating under the same policy and same procedures.

Participants responded more favorably to the merging of athletic departments when they began hearing, seeing, and understanding how the change increased the overall fairness and equality of the organization. Before the merger, there were different rules and policies for academic advising, dependent on if the student-athlete was a male or female. After the two departments consolidated, it became necessary to ensure fairness and equality, which meant both men’s and women’s coaches, athletic directors, and student-athletes had to agree to abide by the same rules. This is another demonstration of needing organizational members to buy-in to the change, and responding to the organizational change with a sense of fairness for all members. As such, the idea of the greater good for all members involved is descriptive of an instrumental climate.

Furthermore, Danielle referenced a policy memorandum and believed “everybody is being treated the same. We had a missed class policy in women’s athletics, and there was not one in men’s athletics; now there is one. Our kids feel like they’re all treated the same. They appreciate that.” Danielle’s example supports Seo and Hill’s (2005) notion that communication from leadership represents a form of perceived fairness. Participants also responded to the change with a sense of satisfaction and honor of the merging athletic departments because they felt it gave all organizational members especially the primary stakeholders, the student-athletes, a sense of equality. When an organization focuses on positive social relations and has a sense of “common fate”, equality is seen as fair (Mahony et al. 2010). This principle of equality of treatment continues to be a common theme throughout sport management organizational justice literature (Mahony et al., 2002, 2006).
Overall, participants felt that student-athletes’ well-being was not sacrificed in the merger and all the student-athletes were treated fair, now that everyone operated under one set of rules and policies. Participants were encouraged to undergo the consolidation because they felt that it was a benefit to the student-athletes. This finding is especially important in intercollegiate athletics because key leaders and personnel are constantly changing due to internal and external forces (Welty Peachey & Wells, 2015). Along with Diana, all participants agreed that if this change to the organization did not benefit the student-athletes, then they would not have been as compliant. Danielle thought “internally our coaches bought into it and our student-athletes have not seen much change. If anything, it has been an improvement for the majority of them, and it benefited the student-athletes.” Other participants suggested:

Well I would like to think that it benefited the students. I think the environment was more real in the academic unit because we had men and women together and they came to the same place and worked with the same tutors. One did not have better facilities than the other did. They all had excellent facilities. I really would say the students [are benefitting] and that makes me feel good. (Rosie)

It benefits student-athletes. It affected everything: when they are training, when they are in the weight room, training table. It is just that culture where they feel comfortable at, where they don’t have to deal with drama of different staffs and rules. (Tubby)

Tubby not only believed that the student-athletes benefited from the consolidation, but he asserted that student-athletes benefited from the staff not producing unnecessary conflict. There was a sense that he assumed that the staff needed to buy-in to the change, so student-athletes could build off that sense of togetherness in a way that produced a better product in the classroom and on the field, court, track, or pool. These examples of value congruence for the student-athletes’ best interest, played a significant role in employees’ response to change (Welty Peachey & Bruening, 2012a). Overall, participants had a welcoming response to the consolidation of athletic departments because it benefitted the major stakeholder, the student-athletes. As Danielle, in particular, advocated: “people ask me all the time what I think about it. The time had come; it was the right thing to do. The consolidation has only enhanced our student-athletes’ ability to be educated and compete for championships.”

Overall, the transparent and ethical leadership in the instrumental climate led Alexis, a 20-year veteran, to sum up the outcome of the consolidation perfectly when she stated:

I think we are a better organization today than we were ten years ago even with everything we’ve been through. There were hard decisions that were made once our AD [athletic director] got here, that I don’t think the other two ADs leading separate departments were willing to make… and that made us better.

**Conclusion**

In summary, results revealed employees’ perceptions of transparent ethical leaders in an instrumental climate espoused positive organizational justice perceptions to organizational change. Furthermore, employees’ perceptions of transparent
ethical leaders and positive organizational justice championed favorable responses to organizational change. Thus, when considering an organizational change such as a merger, it is particularly important for management to consider the equitable treatment of primary stakeholders. As universities look for ways to become more structurally and financially efficient, mergers across campuses are becoming more relevant. Therefore, although this study adds a different context for examining organizational change (i.e., intercollegiate athletic department mergers), it has implications that stretch beyond this setting.

Implications

Theoretically, to our knowledge, our study is the first to investigate the effects of transparent ethical leaders on organizational justice during an organizational change in a sport setting, and as such, we have extended our understanding of the factors influencing justice perceptions in this environment. In addition, our study was the first sport research to consider the role of transparency, leadership, and justice on employees’ response to organizational change. Especially in the constantly changing sport landscape, it is imperative to have transparency prior, during, and postmerger to positively affect employees’ organizational justice perceptions, and in return affect employee responses. Our revelation of transparency and employee buy-in bolstering positive organizational justice perceptions and creating favorable responses to organizational change extends Sharif and Scandura’s (2013) ethical leadership during an organizational change research.

Practically, the emergent secondary theme of student-athlete well-being did not pose any risk or harmful change to one of the values of the intercollegiate athletic department. Throughout the merger, participants’ primary concern was that student-athletes were treated fairly and not overwhelmed by the change. Therefore, since value congruence played a vital role in stakeholders’ responses to change (Welty Peachey & Bruening, 2012a), it behooves intercollegiate sport administrators to ensure the integrity of the overall mission of the NCAA by protecting the security and well-being of student-athletes when considering organizational change. Second, to help address the uncertainty experienced by stakeholders during a merger, a transparent plan with the insight of employees should be communicated in a timely manner by management. These strategies are critical during a change process to instill trust, ethics, value, and integrity (Li, 2005; Morgan & Zeffane, 2003; Sharif & Scandura, 2013), which may assist with obtaining stakeholders’ acceptance and perceived fairness based on the justification and truthfulness of the explanation (Colquitt, 2001; Folger & Cropanzano, 1998).

Limitations and Future Research

As with all research, our study had limitations that need to be acknowledged. Our study commenced twelve months after the first athletic director of the consolidated department took the helm. As such, considerable variability in participants’ responses to organizational justice and change may have occurred before this investigation. In addition, while the document analysis supported the timeline of events, our limited timeframe of the interviews may not have comprehensively captured the organizational justice responses to the change. Therefore, future organizational
change researchers should pursue a longitudinal study with multiple investigations of an organization.

Specifically, for future research, a deeper exploration of the procedural and informational justice dimensions is needed because it possesses overlap and conceptual similarities to transparency, and has also received less attention than distributive and procedural justice research (Colquitt et al., 2001). For example, this study revealed management transparency is a characteristic of the leader-employee dyadic relationship. However, openness, clarity, and availability to organizational procedures may lend an argument for transparency to be a central component of the employee-organization relationship.

In addition, we suggest further investigation into the relationship between leadership styles (e.g., transactional, transformational, servant, shared, or authentic) and the use of transparency as an indicator of organizational justice perceptions during an organizational change. Particularly, in agreement with authentic leadership theory (Luthans & Avolio, 2003), transparent leaders motivate their followers to feel a greater sense of well-being (Ilies, Morgeson, & Nahrgang, 2005), as well as fairness during an organizational change. Managing this perception may be essential to an employees' satisfaction, commitment, and voluntary turnover. Furthermore, since authentic leadership theory (Luthans & Avolio, 2003) states that followers witness the words, actions, and integrity of leaders, transparency may be an antecedent to perceptions of ethical leadership, and should be further examined in isolation. Lastly, using a merger as our setting for organizational change is our contribution to the literature, as it adds a unique perspective. However, this is also a limitation in that these results may be unique to organizational and structural mergers and therefore, not generalizable to other forms of organizational change.

References


