Emotions towards Change

"A case of Northern Greek ICT Industry"

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"Some people change when they see the light; others when they feel the heat." (Anonymous)

Abstract

Change is an inherent process in nature and life that 'enacts' physical, social and human effects. Relatively, in the field of social sciences, organizational change consists of complex experiences, which 'reflect' the crucial role of psychological characteristics and emotions that organizational members possess.

The purpose of the present paper is to investigate the nature of CEOs' emotions towards strategic change. In this respect, it uses the well-known Dimensions of Emotions (PAD) questionnaire of Havlena and Holbrook (1986). This questionnaire captures three main dimensions of emotions, namely *pleasure, arousal* and *dominance*. The paper, with the use of principal component factor analysis, verifies the existence of the three dimensions that may influence the performance of CEOs. The research sample consists of 59 CEOs' replies from ICT firms operating in the area of Thessaloniki, Greece. Concluding, the paper discusses the importance of the three dimensions of emotions in CEOs' strategic management of change. It also proposes a number of implication tactics regarding the effective management of the environmental and organizational changes that CEOs face.

Introduction

Nowadays change is an ongoing process rather than a disruption to business equilibrium. Change appears to be constant in organizations (Mossholder *et al*., 2000); it engulfs more complexity than ever before and occurs more rapidly and in greater volume. Consequently, steadiness is only a temporary state in business environment. Firms and organizations undergo a major change approximately once every three years, and smaller changes are occurring continually. Hence, they have to enhance their adaptation to environmental evolutions and their ability to deal with change in order to remain competitive (Skinner, Saunders and Thornhill, 2002).

Literature also suggests the need of a more person-centered approach of organizational change (Armenakis and Bedeian, 1999). The authors note that "as open systems, organizations depend on human direction to succeed" (p. 307). Accordingly, personal emotions represent critical factors in employee behavior towards change. Emotions are intense feelings that are positively or negatively directed at someone or something (Frijda, 1993). They are also key components of organizational learning (Vince, 2002). Overall, organizational change is an emotional experience, which stresses the crucial role that the *emotions* and the *psychological characteristics* of the organizational members play to the effective transition process.

The main aim of this paper is to examine the emotional behavior of CEOs in front of the rapid changes and the inadequate information that they face in their complex business environment. The first part of the paper provides a brief reference to the Greek ICT industry. The second part refers to the organizational change theory and the research in the emotions. The third part, with the use of principal component factor analysis, examines the dimensions of the CEOs' emotions towards the changes that they face in their business environment (political-social-technological-economical and competitive). Finally, the last part discusses the statistical results and suggests a number of possible implications for ICT CEOs and their business.

Greek Ict Industry

The Information Communication Technology sector in Greece is still in its infancy compared to other E.E. countries since half of its firms (49%) have been shaped after 2005, and another 26,6% after 1990. IT services represent 47% of the total Greek ICT industry. Respectively, IT sales represent 20%, telecommunications 16%, software development 12% and hardware development 5% (1).

Greek ICT industry economic environment is characterized by high growth rates. Despite the last two years complexities due to difficulties in strategies implementation and intense competition in terms of pricing, the macroeconomic environment remains positive. Most importantly, the Greek Government identifies the ICT sector as a priority and plans to invest •3 billion in the development of its infrastructure over the next years.

The ICT sector's turnover in 2004 reached 19 billion • (6,7% increase). Respectively, IT sector's turnover represents 45%, telecommunications 36% and mobile carriers 19%. Generally, the financial trends were satisfactory (2002-2004): Small firms (11-49 employees) stimulated the whole sector development, and large firms doubled turnover's growth rate in 2004; micro firms (< 10 employees) and medium firms (50-249 employees) appeared net losses.

The Greek ICT sector strengths rely on the training and education of the human capital, the experience from large scaled projects implementation and the research cores at the universities. In contrast, the main weaknesses are associated with the a) excessive number of small enterprises, b) lack of specialization and market segmentation, c) limited R&D investments, d) low level of extroversion and e) intense price competition and no differentiation.

By summing up, Greek economy is rapidly and steadily growing. Thus, a favourable macroeconomic environment is developed for the domestic ICT sector. Evidence for the reinforcement of demand, programmed investments (private and public) and Greece's proximity to the

emerging Balkan markets can foster further ICT sector growth. More into the point, it is estimated that the increase in 2007 and 2008 will be more than 9%. In any case, it should be noted that the gradual transition of all firms to the international financial standards until 2008 and the global technological evolutions can potentially cause more intense organizational changes, radical transformations and also decrease the aforementioned positive estimations.

Organizational Change and Strategic Management

Organizational change is defined as the introduction of new patterns of action, beliefs and attitudes among substantial segments of a population because of problems and opportunities that emerge from the internal and the external environment (Tichy, 1983). It may amplify business performance as well as raise insuperable obstacles to strategic management planning and implementation. Relevant researches indicate that a) all the companies among the Fortune 100 have implemented at least one change program between 1980 and 1995, but only 30 percent produced outcomes that exceeded the company's cost of capital (Pascale *et al*., 1997, p. 139), b) approximately 70 percent of all change initiatives fail (Beer and Nohria, 2000, p. 133), and c) among 1000 U.S. and European companies in 15 industries, managers appear to be satisfied with their operating competence, and dissatisfied with their ability to implement change (Foster and Kaplan, 2001).

In this respect, proactive strategies regarding organizational change may sincerely facilitate organizations to achieve clearly identified strategic objectives (Lynch, 2003), and consequently, influence their effectiveness to deal with the external and internal changes they face. External change refers to the different structure, policy, or practice that the initiator is trying to employ in an organization. Internal change refers to the transition that people have to go through before the change itself can work efficiently; it reflects the state that change puts people into (Bridges and Mitchell, 2000). The present paper focuses on the internal nature of organizational change.

According to the internal change perspective, the successful implementation of organizational change depends on the way organizational members react to the change (Bovey and Hede, 2001; Piderit, 2000). Internal change therefore, focuses on the organizational members' behaviors, attitudes and beliefs that ultimately change (Seijts and O'Farrell, 2003), and most importantly, play critical role in successful organisational change (Armenakis *et al*., 1993; Weber and Weber, 2001). Hence, since change is closely related to people, will be considerably more successful rather than traumatic when the human dimensions of change are recognized and handled efficiently (Argyris 1993; Kotter 1995).

Additionally, authors stress the significance of information communication as a key factor of effective internal change management (Johnson and Scholes, 1999; Lynch, 2003; Richardson and Denton, 1996). Information communication can reduce employees' anxiety and uncertainty (Miller and Monge, 1985), and enhance their efficacy to creatively face the change process (Terry and Jimmieson, 2003). Indeed, research findings indicate that direct and honest communication during a transition process a) is positively related to employee openness to change (Wanberg and Banas, 2000), b) can facilitate employees to embrace the change events, hence, to exhibit increased psychological well being, job satisfaction (Terry and Jimmieson, 2003) and commitment after the change (Kramer, Dougherty, and Pierce, 2004), c) can predict downsizing success (Cameron, 1994), and d) can reduce the negative results of a merger (Schweiger and DeNisi, 1991).

Moreover, in terms of corporate strategy, CEOs might perceive organizational change either positively or unfavorably. On the one hand, change may enhance CEOs' awareness of the external evolutions and facilitate their effort to capitalize them. Hence, it may stimulate CEOs' optimism, excitement and hope, and consequently raise their expectations for personal and organizational success (Dutton *et al*., 1997; Huy, 2002). On the other hand, a change that provokes feelings of uncertainty may result to increased levels of managers' fear and anxiety (Sutton and Kahn, 1987). Finally, it should be noted that executives and employees perceive change differently (Strebel, 1998). Senior managers typically facing change as an opportunity while employees as an intrusive process that may turn to loss.

In sum, all change management approaches note the importance of the human dimension and suggest that effective strategic change is based on an overall effective strategic management (Johnson and Scholes, 1999) embedded in a *change-oriented mentality*. In line the above arguments; the paper examines the influence/significance of peoples' emotions to organizational change.

Emotional Behavior and Organizational Change

Emotions and organizational change

A number of different definitions characterize the nature and the role of emotions in organizational behaviour theory. Generally, emotion is identified as a strong feeling of any kind (e.g., love, joy, hate, fear and jealousy) and/or an excitement or disturbance of the mind or the feelings (Atkinson *et al*., 1993). Emotions should be distinguished from motives. That is, emotions are evoked by external events, and emotional reactions are directed toward these events; motives, in contrast, are aroused by internal events and directed toward specific objects of the external environment. In turn, people being in an emotional state can firstly, lead to activation or disruption; secondly, determine what we intent to learn and the way we judge the world.

Researchers view emotions a) as key features that preserve personal and organizational values in complex circumstances and signal the need for change (Lazarus, 1991), b) as integral and inseparable part of the organizational life which consists of physical and socio-cultural characteristics (Ashforth and Humphrey, 1995) and c) as an ongoing internal process rather than a static feeling state (Frijda, 1993; Smith and Lazarus, 1993). Consequently, the reasons and the causes of emotional behavior should not be ignored, even when they appear to be minor, since emotions can accumulate. As Robbins (2005) notes, it is not the intensity of hassles and uplifts that lead to emotional reactions, but more the frequency with which they occur.

With respect to peoples' emotions, attitudes towards change represent the generally personal evaluation (Petty and Wegener, 1998) and in turn, reflect a psychological tendency with a degree of favor or disfavor (Eagly and Chaiken, 1998). Emotions towards change may be so intensive that researchers compare them with individual reactions to traumatic changes and losses such as death and grief (Henderson-Loney, 1996; Grant, 1996; Kubler-Ross, 1969). Respectively, numerous researches try to interpret the complex nature of emotions when a change occurs, and the way they can influence the organizational change process (George and Jones, 2001; Huy, 1999; Paterson and Härtel, 2002).

In more detail, researchers suggest that employees' emotions may affect organizational change since first, they can influence the complex processes of communication, motivation and power distribution within an organization (Doorewaard and Benschop, 2003) and second, facilitate

employees' attitudes and behaviors understanding. Moreover, researchers a) identify a variety of employees' emotional reactions to organizational change, ranging from strong positive emotions (i.e. excitement and satisfaction) to strong negative emotions (i.e. anxiety, anger, fear) (Barger and Kirby, 1995; Piderit, 2000), b) stress that events related to significant accomplishments induce enthusiasm in employees, whereas events that interfere with employee's performance lead to frustration (Basch and Fisher, 2000), and c) suggest that organizational change uncertainty provokes stress and decreases job satisfaction, trust and commitment (Schweiger and DeNisi, 1991). By contrast, in cases where organizational members perceive a stressful situation positively, they are likely to try to change the current situation, and most important to tolerate the emerged disappointment and loss (Liu and Perrewé, 2005).

Furthermore, authors imply that emotions can launch critical information to individuals in order to facilitate their adaptation to the environment (Plutchik, 1980; Schwarz, 1990). Therefore, when organizational change is perceived as appropriate and feasible, individuals' emotional reaction would be positive. Otherwise, fear and anxiety will prevail. Relatively, authors suggest that although emotions towards change may not provoke apparent action tendencies (Lazarus, 1991), they can:

- appear to be critical in accomplishing organizational goals and transitions (Eby *et al.*, 2000; Kotter, 1995),

- influence critically behaviors, cultivate human strength and support organizational members relationships (Fredrickson, 1998, 2000),

- have positive relationship with a constructive approach of the change process (Fredrickson, 1998; Staw and Barsade, 1993),

- are associated with flexibility and innovation in problem solving (Staw and Barsade, 1993),

- lead to proactive coping behaviors (Liu and Perrewé, 2005), and

- produce behaviors that are focused, persistent, facilitative and supportive towards the change implementation.

In sum, emotional states that are evoked by certain organisational behaviours seriously determine whether a change effort will succeed of fail (Huy, 1999). Change can easily become a frightening emotional experience since it involves a trip from known to the unknown (Bovey and Hede, 2001), but eventually the pain derived from its absence is much worse.

Emotional dimensions and organizational change

As it was previously discussed, emotional reactions generally derive from the perception of an event that favors or obstructs the achievement of personal goals (Frijda, 1986; Lazarus, 1991). Scholars suggest that almost all emotions can be examined along a number of dipolar dimensions that can be viewed as independent of each other.

Smith and Ellsworth (1987), for instance, propose six dimensions of emotions a) *the desirability of the situation*, b) *the effort that one anticipates spending on the situation*, c) *the situation certainty*, d) *the attention that one wants to devote to the situation*, e) *the control that one feels over the situation*, and f) *the control that one attributes to nonhuman forces in the situation*. Russell (1989), Watson & Tellegen (1985), and Warr (1994) support that all emotional reactions share two bipolar dimensions namely, *pleasure (hedonic tone)* and *level of arousal* dimension. Moreover, other authors (Mehrabian and Russel, 1974; Tiedens and Linton, 2001) suggest also a third dipolar facilitative emotional dimension namely, *level of uncertainty (dominance)*. The latter three prevailing dimensions are analyzed below.

Pleasure

Pleasure dimension refers to the pleasure/ pleasantness of the emotion which is measured by positive and negative affectivity poles. Pleasure is defined as the feeling of happiness, enjoyment, or satisfaction that you get from an experience (Longman Dictionary of Contemporary English, 2003). Bearden, Netemeyer and Mobley (1993) approach pleasure as a feeling that is felt to be different from preference, liking, positive reinforcement and approach avoidance. Generally, feelings of joy, trust, excitement, anticipation and surprise are commonly viewed as positive emotions, while grief, fear, anger, anxiety and disgust are typically perceived as negative ones (Fredrickson, 1998; Weiss and Cropanzano, 1996).

Arousal

Arousal is a cause to make somebody become active and/or to have a particular feeling or reaction (Longman Dictionary of Contemporary English, 2003). Researches suggest that arousal 1) is a feeling state that varies along a single dimension from sleep to frantic (Bearden, Netemeyer and Mobley, 1993), 2) is facilitative to cognitive performance because it allows employees to develop effective coping strategies (Kaufman, 1999), 3) influences the degree of effort one puts into the task at hand (George and Brief, 1996; Lazarus, 1991), and 4) has an inverted U shaped relationship with employees' ability to evaluate the change process and their cognitive performance (Kaufman, 1999). The level of arousal refers to the intensity of the experienced emotions. As authors suggest, excessive arousal provoked by a high level of uncertainty may a) lead individuals to feel hesitant, and become reluctant to react (Liu and Perrewé, 2005), b) result to a sudden removal of confidence and a inability to react, resulting from fear and loss of personal mastery (Drew and Smith, 1995), c) be counter-productive (Khodabakhsh and Kolivand, 2006) and d) initiate deterioration in cognitive performance because it reduces the effort and attention devoted to relevant responsibilities (Kaufman, 1999). Overall, a moderate level of emotional arousal is likely to be associated with a high degree of readiness to change, while an extreme one is likely to be associated with intolerance of the ambiguity.

Dominance-Uncertainty

Dominance is the fact of being more powerful, more important, or more noticeable than other people or things (Longman Dictionary of Contemporary English, 2003). It is based on the extent to which one feels unrestricted or free to act in a variety of ways during complex transition processes (Bearden, Netemeyer and Mobley, 1993). Thus, when control/dominance is low, change uncertainty provokes stressful and traumatic situations which, in turn, lead to negative emotional reactions (Spector, 1998). Change uncertainty is positively related to stress (Ashford, 1988) and turnover intentions (Greenhalgh and Sutton, 1991). It is also negatively related to job satisfaction (Ashford, Lee, and Bobko, 1989), commitment (Ashford *et al.*, 1989), and trust in the organization (Schweiger and Denisi, 1991).

The above analysis raises a number of issues regarding the influence of managers' and employees' emotions to effective (or non effective) organizational change.

Research

Purpose

The purpose of the paper is to examine the dimensions of CEOs' emotional behavior towards the rapidly changing ICT Industry in Greece and consequently, their influence to strategic management.

Methodology

Sample

The research, in close cooperation with the Information Technology Firms Association of Northern Greece, was conducted during a 9-month period in 2004 and 2005. Survey data were collected from Information Technology firms established in Northern Greece from a convenience sample of 190 firms. Overall, a total of 59 Chief Executives Officers replied to the structured questionnaires. The response rate was 31,05 %. For the purpose of our research we have created a relevant web page (2) in order to receive data in an electronic form.

ICT Firms competition field includes IT services, telecommunications and software and hardware development. The prevailing kind of commerce is Business to Business (B2B) followed by Business to Consumer (B2C). Further, the majority of the firms have less than 50 employees (80,3%) and present annual turnovers less than 10 millions •.

Most of the CEOs are males (81,36%), 35-44 years (39.3%) and married (71,4%). They have also with significant post-graduate education (32,2%) and total working experience more than 11 years (58,9%). Table 1 summarizes the demographic characteristics of the participants in our research.

Measurement

Regarding the measurement of the emotions towards change, we used the Dimensions of Emotions PAD questionnaire of Havlena and Holbrook (1986) (the questionnaire was originally developed by Mehrabian and Russel, 1974). The PAD questionnaire is composed of 12 semantic different items scored on a +4 to –4 scale. There are three independent and bipolar dimensions namely, pleasure-displeasure, sleep-frantic and dominant–submissiveness which valuate emotional states. *Pleasure* is a continuum ranging from extreme pain or unhappiness to extreme happiness or ecstasy. *Arousal* ranges from sleep to through intermediate states of drowsiness and then alertness to frenzied excitement at the opposite extreme. *Dominance* ranges from feelings of total lack of control or influence on events and surroundings, to the opposite extreme of feeling influential and in control (Mehrabian and Russel, 1974).

Results

Principal component factor analysis

The principal component factor analysis results revealed three factors that constitute the emotional behavior of the CEOs. The three factors had eigenvalues greater than 1 and accounted for 73,9% of the variance. These factors are:

(i) *Dominance*, which refers to the level of emotional uncertainty (variance 43,01%).

(ii) *Pleasure*, which refers to the level of emotional pleasantness (variance 16,46%).

(iii) *Arousal*, which refers to the level of emotional intensity (variance 14,43%).

High reliability also characterizes the three factors). The Crobach coefficient alpha is 0,93 for the *dominance* factor, 0,88 for the *pleasure* factor and 0,70 for the *arousal* factor.

On the whole, CEO's emotional dimensions towards change are moderately positive. The factor of *dominance*, on a -4 to +4 scale, has a mean value equal to 0.91 (sd:2,06); the factor of *pleasure* has a mean value equal to 0.46 (sd:1,9) and the factor of *arousal* has a mean value equal to 1.35 (sd:1,16).

Finally, the correlations among the three factors of the CEOs emotionally behavior are in general medium to low degree (0,303 *< r <0,390**, p<0.05 - p<0.01). The highest correlation is between the factors dominance and pleasure (r <0,390**, p<0.01). The lower correlation is between the factors pleasure and arousal (r <0,303*, p<0.05).

Discussion of the results and implications

The research findings suggest that the Greek CEOs' emotions towards change are marginally positive. CEOs do not feel lack of control or unhappiness and they are sufficiently aroused by the environmental challenges and the technological evolutions. Hence, as literature suggests, their current emotional behavior can facilitate them to accomplish their organizational goals and lead the necessary change initiatives (Eby *et al.*, 2000; Kotter, 1995; Gilmore and Barnett, 1992).

Additionally, in compliance with international literature, the presence of the three factors (*dominance, pleasure, and arousal*) in the Greek ICT industry verifies the global validity of the Havlena and Holbrook questionnaire (1986).

Finally, regarding the CEOs emotional behavior towards change, several implications can be made to facilitate them to deal with the changes that they face in their external complex business environment. In more detail:

1. Dominance dimension

In line with international literature (Mamlin *et al.*, 2001), Greek CEOs feel considerably dominant and influential towards change [*(-4 to*

+4 scale) 0.91, sd:2,06]. Further, the dominance factor explains a significant amount of their total emotional behavior towards change *(43,01%).*

As literature suggests dominance/control can mediate change anxiety (DiFonzo and Bordia, 2002), change psychological strain (Bordia *et al.*, 2004), and significantly effect employees' well-being (Barnett & Brennan, 1995). Moreover, it suggests that information communication can effectively reduce uncertainty during strategic change process and its content evolves over time (Cornett-De Vito and Friedman, 1995).

Hence, we argue that, the main CEOs concern should be the increase of their own dominance and control in their working environment. A number of basic policies that can use, is to a) examine the content of information to fit the actual change evolutions, b) seek information that reduces uncertainty at the change beginning, c) request for realistic, accurate and detailed information on areas of their personal concern that will assist them with problems relevant to their responsibilities (Cornett-De Vito and Friedman, 1995), d) recognize their need for time in order to cognitively and emotionally adjust to business evolutions (Huy, 2001) and e) reduce feelings of uncertainty during the unfreezing and changing period of change by employing participative strategies (i.e. team meetings, working groups, parallel systems) that can reduce the change pressure and promote the experience learning.

2. Pleasure dimension

CEOs appear to be marginally pleased and happy [*(-4 to +4 scale)* 0.46, sd:1,9] with the constant business evolutions, while the pleasure factor describes *16,46%* of their total emotions towards change. Relatively, organizational change theory suggests that pleasure plays a vital role in employees' acceptance of change (Cordery et al., 1993; Iverson, 1996; Wanberg and Banas, 2000) and effective job performance (McNabb and Sepic, 1995).

Therefore, given the medium/low mean value of pleasure dimension, CEOs should enhance their feelings of joy, trust, and excitement etc. In order to feel more pleased and satisfied they need to: a) eliminate obvious sources of job dissatisfaction in terms of poor working conditions, poor communication and poor performance, b) develop a workplace environment with internally generated sources of happiness and pleasure (Crow and Hartman, 1995), c) create short-term wins that could generate positive emotions such as enthusiasm, confidence, excitement, contentment, interest and optimism (Kotter, 1995), and d) influence their emotional reactions by generating positive events that can cultivate a positive outlook of the change (Liu and Perrewé, 2005).

3. Arousal dimension

CEOs are also sufficiently aroused [*(-4 to +4 scale)* 1.35, sd:1,16] by the changes in their working environment. The arousal factor describes *14,43%* of all their emotional reactions towards change. Literature suggests that emotions experienced at the beginning of change include high levels of arousal, while those felt at the later stages provoke analogically lower levels (Liu and Perrewé, 2005). Additionally, it suggests an intermediate level of emotional arousal during change process (Kaufman, 1999). That is, low emotional intensity leads to poor performance and high emotional intensity results to personal disorganization of thinking and physical self-control (Yates, 1990).

Consequently, CEOs should: a) intervene their emotional experiences toward the direction of facilitating change, b) focus their attention on shortening the period of time when extreme emotional arousal is experienced, and c) try to control the level of their emotional arousal to a certain point especially during the primary stages of change (Liu and Perrewé, 2005).

CEOs' emotions management and change in Greek ICT industry

In order to integrate the influence of the three emotional dimensions, we argue that CEOs should consider their own emotional emotions. Indeed, the management of the CEOs' emotions appears to be critical in successful organizational change, given that a) intolerance of change derives mainly from their difficulty to deal with their personal emotional tension (Huy, 2002; Waldron, 2000), b) its poor implementation can be a basic cause of change programs failure (George and Jones, 2001; Huy, 1999; Paterson and Härtel, 2002), c) it may actually empower employees to deal with stress and negative emotions, and provide emotional equilibrium during transition processes (Conrad and Witte,1994).

Consequently, our findings illustrate the significance of CEOs' emotional intelligence (EI) during organizational change. EI is defined as the composite set of capabilities (namely, *Self Awareness, Self Management, Social Awareness, and Social Skills*) that can enable a person to manage himself/herself and others (Goleman, 1998). As literature suggests, emotionally intelligent employees are more adaptable in emotional reactions towards change. That is, people are more responsive to their emotions and possess better awareness regarding their experienced feelings (George and Jones, 2001). Most importantly, their EI can be further developed (Boyatzis, 2000).

Thus, CEOs should try to develop their emotional competences through systematic training, which can permit them to 1) inform themselves about the significance of emotional intelligence in the workplace, 2) examine the organizational needs about change, 3) assess their personal strengths and weaknesses, 4) provide a framework (i.e. roles, tasks, procedures, communication canals) to develop and enhance their ability to interact with others (Boyatzis, 1999), 5) empower their *self-efficacy (competence)* by fostering personal mastery experiences, modelling successful behaviours, and providing appropriate information (Whetten and Cameron, 1995), and 6) promote appropriate managing emotions approaches such as the employment of humor, ceremonies and CEOs' self-irony etc (Lines, 2005).

Closing, CEOs should also take in to consideration that Greek national culture is characterized by high uncertainty avoidance and higher power distance (hierarchy) (Hofstede, 1980). Additionally, competitive attitudes are undesirable, flexibility is generally low, dissenting opinions and breaking the rules are not allowed without permission even if they are for the benefit of the organization (Nicolaidis, 1992).

Epilogue

Authors suggest that people rely on their social surroundings to better comprehend their experiencing emotions (Schachter and Singer, 1962), as well as their emotional state can be an important indicator of organizational change readiness (Mossholder *et al.*, 2000).

Thus, every change process should involve a positive climate establishment that can facilitate organizational members to manage their emotional responses effectively. For this purpose, CEOs may apply conceptual (e.g., development of a strategic change vision) or functional

(e.g., focus groups) means, depending on the requirements and the uniqueness of their organization (Mossholder *et al.*, 2000). They should also try to anchor the emerging changes in the corporate culture (Kotter, 1995) especially during the refreezing period (*Ref.*). Overall, it is crucial for CEOs to personalize the important change dimensions (Isabella, 1990) and to display greater concern for the role of their own and others personal emotions during organizational changes.

Notes

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1. Observatory for the Greek IS (2006). Study of the ICT sector in Greece: Current Situation and Future Trends. Foundation for Economic and Industrial Research.

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Table 1: Demographic characteristics of the sample

	N	Frequencies %		N	Frequencies %
Chief Executives Officers			**Firms**		
Sex			**Firm age**		
Male	48	81.36	1-5	11	19,6
Female	11	18.64	6- 10	13	23,2
Age			11-15	15	26,8
18-24 years	1	1.8	16 +	16	28,6
25-34 years	19	33.9	**Number of employees**		
35-44 years	22	39.3	1-11	20	35,7
45 + years	13	23.2	11-50	25	44,6
Marital Status			51-250	6	10,7
Married	40	71.4	250 +	2	3,6
Single	15	26.8	**Firm life circle**		
Education			Initial	2	3,6
Secondary Education	3	5.4	Growth	30	53,6
University	34	60.7	Mature	23	41,1
Master	16	28,6	**Annual Turnover**		
PHD	2	3,6	<1 millions	24	42,9
Other	1	1,8	1-10 millions	21	37,5
Working experience (present position)			10-100 millions	8	11.9
1-5	28	50,0	100 millions <	4	7,1
6-10	11	19,6	**Competition field**		
11+	17	30,4	Software	29	51,8
Total working experience			Hardware	33	47.1
1-5	9	16,1	IT services	37	66,1
6-10			Telecommunication		
11+	14			21	37,5
	33	58,9	**Kind of commerce**		
			Business to Consumer	37	66,1
			Business to Business	52	92,9
			Business to government	34	60,7
			Other	20	35,7

Table 2: Factors' questions combinations

Dominance	Pleasure	Arousal
10. influential - influenced	3. satisfied - unsatisfied	8. aroused - unaroused
11. dominant - submissive	2. pleased - annoyed	7. frenzied - sluggish
9. controlling - controlled	1. happy - unhappy	5. stimulated - relaxed
12. autonomous - guided	4. contented - melancholic	6. peaceful -excited

Table 3: Emotions' factor analysis results

Questions	I. Dominance	II. Pleasure	III. Arousal	Communalitities
CQ11	,924			,894
CQ9	,915			,880
CQ10	,909			,871
CQ12	,775			,673
CQ3		,859		,799
CQ2		,858		,761
CQ1		,840		,718
CQ4		,791		,761
CQ8			,837	,707
CQ7			,822	,686
CQ5			,514	,598
CQ6			,482	,522
Eigenvalue	5,161	1,975	1,732	
% Variance	43,012	16,460	14,434	
Cronbach α	0,93	0,88	0,70	
Mean & SD	0,91±2.06	0,47±1,9	1,35±1,16	

Table 4: Factors' correlation

	1	2	3
1 Dominance		,390(**)	,355(**)
2 Pleasure			,303(*)
3 Arousal			
*p<.05, **p<.01			