

## CRITICAL REVIEW OF LITERATURE ON CHANGE MANAGEMENT ON EMPLOYEES PERFORMANCE

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### ABSTRACT

*Organizations are continually confronting challenges to remain competitive and successful, which compels organizations to regularly re-evaluate their strategies, structures, policies, operations, processes and culture. Managing change effectively is however a main challenge in the change management domain because of massive human involvement. Thus, managers and change agents are eager to know how to encourage and effectively prepare employees for change situation. This paper carries out a critical review on change management on employees performance. The paper reviews the origin of change management concept on employees performance from academic and management perspective, factors influencing the growth and adoption of the change management on employees' performance concept, theoretical framework of change management on employees performance and the empirical studies on change management on employees performance. The paper also identifies the research gaps identified in the concept. It also captures on recommendations of the study and the conclusions reached. It carries with it a proposed conceptual frame work in a study to be carried on the concept with independent variables highlighted as participatory leadership, motivational commitment, training and communication. The dependent variable was identified as change management on employees performance. All indications pointed that that independent variables (participatory leadership, motivational commitment, training and communication are positively and significantly correlated to the dependent variable (change management on employees performance). This study may contribute to the literature on change management on employees performance particularly and may assist the management, change agents and practitioners of human resources management and development, and organizational behavior in assessing, designing and evaluating new or existing programmes for change management on employees performance.*

**Keywords:** Change Management Process, Employees Performance, Change Drivers, Change Agents, Participatory Leadership And Communication.

### 1. INTRODUCTION

This discussion is centred on analysing and defining the concept of change management on employees' performance. It discusses the objectives of the critical review, the background of the study, the origin of the concept as well as the factors which are influencing the growth and adoption of the concept by organizations. Change management is a structured approach to transition individuals, teams, and organizations from current state to a desired future state, to fulfill or implement a vision and strategy (Serkin, 2005). It is an organizational process aimed at empowering employees to accept and embrace changes in their current environment (Kubiciek, Margaret 2006). It involves defining and installing new values, attitudes norms and

behaviors within an organization that support new ways of doing work and overcome resistant to change.

#### 1.2 Objectives Of The Critical Review

The objective of this critical review is to gain increased understanding of the change management on employees performance in organisations as a concept which has influence on the human resources reaction on change. Therefore, the study aims to achieve the following objectives: To critically evaluate the origin of change management on employees' performance. Evaluate the benefits and challenges of change management on employees' performance. Establish how the concept of change management affects employees' performance. Conceptualize on the change

management on employees' performance concept. Review the empirical studies on the concept and identify the gaps in the studies carried by other researchers and show how the gaps can be filled.

### 1.3 Background Of The Study

Change management on employees' performance concept grew out of the need to make some alterations within the organisation in order to cope with the dynamic changes in the markets. Organisations were faced with threats of competition and changing employees needs which had to be met using different techniques and production models apart from the existing ones (Kotter, 2008). Change management on employees' performance can be reactive, i.e. responding to changes in the macro environment, proactive in order to achieve the desired goal, continuous basis, or program by-program basis, i.e. ad-hoc basis (Del Val and Fuentes, 2003).

Change management on employees consists of a hard side and a soft side. The hard side refers to the processes, systems, strategies, tactics, and technologies that will help to implement changes and the soft side involves behavioural and attitudinal changes (e.g. persuading, reassuring and communicating, identifying and addressing emotional reactions, influencing and motivating) that will allow the hard changes to be successful (Carter, 2008).

### 1.4 Origin Of The Concept

Within the previous literature, one of the most influential perspectives within what are known as 'planned approaches' to change is that of Kotter (2008) who argued that change involves a three stage process. The first one was unfreezing current behaviour; second was moving to the new behaviour; and, finally, refreezing the new behaviour. The three-step model was adopted for many years as the dominant framework for understanding the process of organisational change and the effects on employees (Oswick et al. 2005). Since its formulation, the theory has been reviewed and modified, with stages being divided to make more specific steps.

Irrespective of its wide use, Lewin's original theory has been criticised for being based on small-scale samples, and more importantly the fact that it is based on the assumption that organisations act under constant conditions that can be taken into consideration and planned for (Marshak and Grant, 2008). As a consequence of such criticisms an alternative to planned approaches to organisational change was developed that is known as the 'emergent

approach'. An emergent approach to organisational change sees change as so rapid and unpredictable that it cannot be managed from the top down. Instead, it is argued, change should be seen as process of learning, where the organisation responds to the internal and external environmental changes. Hayes, J. (2010) noted that this approach was more focused on change preparation and facilitating for changes than for providing specific pre-planned steps for each change project and initiative.

Fundamental to the success of organisational change is the acceptance of the change by employees. Palmer and Dunford (2008) argued that all human go through 5 stages of 'grief' (denial, anger, bargaining, depression and acceptance) when faced with a loss or change, has been seen as relevant and has been applied to the management of organisational change initiatives. Trust in management was found to have a particularly strong effect on affective, cognitive and behavioural resistance, a finding that emphasises the importance of good management skills throughout a period of change. However, the study also found that an increased amount of information given to individuals about the change resulted in a worse evaluation of the change and an increased willingness to act against it.

There are various factors which have influenced and led to the growth of change management on employees' performance. One of such factor is financial contribution or the cost and benefits analysis on the anticipated change brought on board. According to Oakland and Tanner (2007) explanations, increased commitment is as a result of the increased employee competencies due to training and communication done during the process of change management which have prepared the employees for changes.

Job satisfaction and motivation are overviewed as an outgrowth of achievement, recognition, the challenging work itself, responsibility and advancement. When these all are present in a job, positive feeling and improved performance will be noticed. Workers need basic needs as personal growth and self-actualization to remain satisfied and motivated. On the other hand, job dissatisfaction is a result of different factors such as company policy, supervision, interpersonal relations, working conditions, job security and salary. These dissatisfactions can be removed by changing those factors which can lead to performance improvement. Mobilization is a process of involving and engaging those affected

by change. Understanding what motivates and mobilizes workers towards change is of great value for successful result.

Encouragement of freedom of expression is a vital psychological support and an important source of energy in managing change. A lack of openness negatively affects not only employees but employers too. When workers do not express themselves good ideas do not surface while important problems go undetected, groups make wrong decisions, because workers are afraid to disagree while valuable time is wasted for unproductive meetings (Lyndon Pugh, 2007). This leads to decline in motivation, because workers no longer believe that their effort is worth full commitment.

People do not resist change automatically. They resist the way change is handled, because in most cases it sounds as destabilizing at an organizational level and threatening at a personal level. But most reasons for resisting changing are not tangible, because they can be based on fear, uncertainty, suspicion etc.

#### 1.4.3 Factors influencing the growth and adoption of the concept.

There are various factors which have influenced and led to the growth of change management on employees' performance. One of such factor is financial contribution or the cost and benefits analysis on the anticipated change brought on board. Changes were noted by McLean (2007) to lead to increased financial capability especially when they were tailored to improve the quality of products and employees' involvement to enhance efficiency of production. In instances where the benefits of change management on employees have exceeded its cost companies have fully emerged the concept. Study by Kotter (2008) noted that organisations which adopted the organisational changes had higher financial performance than the organisations which had noted adopted changes.

There has also been increased individual commitment to change by employees. According to Oakland and Tanner (2007) explanations, increased commitment is as a result of the increased employee competencies due to training and communication done during the process of change management which have prepared the employees for changes. Also the expected promotions and rewards as a result of change have increased the individual expectations on

organisational changes where at all the times the performance of employees is enhanced.

## 2. LITERATURE REVIEW

Organizational change can include changes in terms of employees involvement, products or services, the market it serves, the way it interacts with customers or suppliers, among others. This is the basis of the theoretical concerns of change management on employees performance. This section reviews conceptualization of change management on employees performance multi-disciplinary perspective, themes and relationships between theories.

### 2.2 Conceptualization Of Change Management On Employees Performance.

Organizational change seems inevitable today, regardless of the extent to which organizations are ready to deal with it (Bye 2007). Increased competition and the need for strategic flexibility and adaptability brought on by globalization, is affecting almost every organization today, regardless of size, human capital capabilities, market, focus, etc. (Jaros, 2010). These changes occur across the spectrum and include strategic, structural, operational, process and cultural change (Armenakis, Harris, & Mossholder, 1993). Managing organizational change in the context of employees view successfully therefore remains one of the most important focuses of all levels of management, just as embracing and surviving change is important to all employees. Change initiatives however are far from easily accomplished, with Balogun and Hailey (2004) reporting that approximately 70% of initiatives are not completely successful.

Critical change management theorists state that in mainstream (change) management theory, power is circumvented by using euphemistic concepts such as leadership, governance, empowerment, communication and motivation for maximum performance by the employees. (Karreman and Alvesson, 2009), but observers should not ignore the social realities of power (Pfeffer, 1992). By paying attention to power dynamics, different perspectives on resistance to change can be brought to light. Karreman and Alvesson (2009) suggest that power can be understood from three different perspectives.

First, power can be defined as a restraining force, where one actor makes people do things that they otherwise would not have done. In this view, resistance is an unconcealed reaction to the overt use of force. Power focuses on how ideologies and cultural socialization make people comply with the existing order, without explicit force and avoiding overt conflicts. This perspective resembles the conceptualization of resistance to change in conventional change management literature.

Fisher and Kotter (2008) contend that change flows as follows: anxiety and denial, happiness, fear, threat, guilt and disillusionment, depression and hostility, gradual acceptance, moving forward Steensma, (2001), including the need for more integrated ways of working (Rugman and Hodgetts, 2001) and the need to improve business performance Balogun and Hailey (2008). These considerations typically result in structured change programs based on the assumption that change management on employees consists of a (limited) set of interventions, which are regarded as objective, measurable and linearly manageable programs that can be realized in a relatively short time.

#### 2.4 Theoretical Relationships

Contingency theory is a behavioral theory that claims that there is no single best way to design organizational structure. The proponent of the contingency theory was Joan Wood (1956) who argued that technologies directly determine organizational attributes such as span of control, centralization of authority, and the formalization of rules and procedures to be followed by employees. She found that there are many variations in organization structure associated with differences in manufacturing techniques which bring considerable change to employees' performance. Contingent theory is based upon various constraints in an organization. the constraints may include the size of the organization, how to adapt to its environment, differences among resources and operations activities, managerial assumptions about employees' strategies.

In this study the contingent variable will be focused and anchored on managerial assumptions about change on employees and the performance as a constraint variable.

This approach to the study of organizational behavior in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the employees and functions of organizations for

meaningful changes clearly shows that for performance based results employees must be fully engaged. The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization in terms of human capital, the features of the organizational structure and its information system. Contingency theories were developed from the sociological functionalist theories of organization structure such as the structural approaches to organizational studies by Reid and Smith (2000), Chenhall, (2003) and Woods (2009)

Contingency theory turns away from the classical organization theory assuming that there are general principals which make organizations run effectively (Doch 2009, 36). Instead Contingency theory argues that the best structure for an organization varies in respect to their environment. In detail the efficiency of each structural aspect would depend on "contingency factors" like – size, technology, human resource and strategy (Donaldson 1996, 57). These contingency factors are characteristics of an organization and reflect in turn the influence of Organizations. Contingency theory identifies each contingency factor of which the structure under consideration is dependent upon (Donaldson 1996, 57). Task uncertainty is the most studied contingency factor. The factor is a focal point since it involves employees for meaningful change to be realized. Pennings (1992, 276) argues if the organization is concerned with a lot of uncertain tasks than the organization is less centralized and instead more richly joined structures are necessary in order to generate and communicate the larger amount of knowledge and communication to employees' remarkable performance. In contrast if an organization is very certain about their tasks, the tasks get more centralized. Another contingency factor is size. Pugh *et al.* (1969) assumes that small- sized organizations with few employees are optimally productive and efficient hence easy to change. This factors result to changes in organizations that requires sensitivity in managing the changes emanating from the new structures. According to the theory it's evident that, changes that are experienced in organizations during restructuring can well be explained in the concept of the theory. This study will therefore be anchored and based on the contingency theory to expound on the relationship between the theory and the change

management on employees' performance concept as a constraint.

#### 2.4.0 Summary of theories of the concept

There are many models and theories, and each one has potential benefits or weaknesses for each organization. This is a review of the key ones captured in this study:

**Adkar** is a goal-oriented change management model that allows change management teams to focus their activities on specific business results. The model was initially used as a tool for determining if change management activities like communications and training to employees were having the desired results during organizational change for employees' performance. The model discusses: awareness of the need for change, what is the nature of the change, why is the change happening? The risk of not changing.

#### Kubler-Ross Model

The model describes five discrete stages, a process by which people allegedly deal with grief and tragedy and is known as Kubler-Ross Model. These stages are known as the Five Stages of Grief: denial, anger, bargaining, depression and acceptance.

**Contingency theory** also comes in handy to summarize the concept. In this theory the ideal situation is presented as basis of why and how it can level the idea of management without giving a distinction level of the best way to structure an organization in different constraints. In this study the management of employees towards embracing change for better performance has been discussed.

### 3: EMPIRICAL REVIEW

This discussion is centred on philosophical foundation, thematic issues, research methodology and industrial context, data collection techniques, data analysis tools and summary of empirical studies on change management on employees' performance.

#### 3.2 Philosophical foundations on change management

A truly effective management philosophy is a belief system that defines what's truly important to everyone within an organization, particularly how people within the organization should be treated in pursuit of best business practices (Business Excellence). An organization's

management philosophy is the glue that joins everyone in an organization together so that they can all focus their attention on the attainment of excellence. In actual practice; a management philosophy is also a personal life philosophy. There is no real difference between the two. Developing a philosophical perspective requires that the researcher make several core assumptions concerning two dimensions: the nature of society and the nature of science (Burrell and Morgan, 1979). The sociological dimension involves a choice between two views of society: regulatory or radical change. Society is viewed as unified and cohesive, whereas the sociology of radical change views society as in constant conflict as humans struggle to free themselves from the domination of societal structures (Burrell and Morgan, 1979). These contrasting views are the basis of distinct, and often diametrically opposing, schools of thought – a rational view of society is the basis of modernism whereas a radical change perspective underlies post-modernism. The other dimension, science, involves either a subjective or an objective approach to research, and these two major philosophical approaches are delineated by several core assumptions concerning ontology (reality), epistemology (knowledge), human nature (pre-determined or not), and methodology. Whatever their sociological persuasion, the researcher will find that these assumptions are consequential to each other, that is, their view of ontology effects their epistemological persuasion which, in turn, effects their view of human nature, consequently, choice of methodology logically follows the assumptions the researcher has already made.

Hug (1998), opines that any management philosophy is closely connected to the corporate culture as well as the concepts of value systems and leadership. In this context and in view of change management concept on employees' performance epistemology as a philosophy form a good back up to the study. The systemic approach is based on the distinguishing of organizational models leading to the subsystems differentiation, which may require a different epistemological perspective. For example, an organizational model by Leavitt includes people, structure, tasks and technology management [Leavitt 1965, pg. 160]. Looking at this from the pragmatic perspective; we can take into account differentiated methods of organizational change.

In this study the positivism approach will be highly probed. The positivist position is derived from that of natural science and is characterized by the testing of hypothesis developed from existing theory through measurement of observable social realities. It presumes the social world exists objectively and externally, that knowledge is valid only if it is based on observations of this external reality and that universal or general reality exists. Positivism is based upon values of reason, truth and validity and there is a focus purely on facts, gathered through direct observation and experience and measured empirically using quantitative methods, surveys and experiments and statistical analysis (Blaikie, 1993).

Hatch and Cunliffe (2006) relate this to the organization context, stating that positivists assume that what truly happens in organizations can only be discovered through categorization and scientific measurement of the behavior of people and systems. However, most studies reviewed in this study do not show their philosophical research pillars.

### 3.3 Thematic Issues

Change management on employees comprises many aspects such as analyzing the organizational effectiveness and revealing the required changes to achieve better performance, and determining the steps to be followed by managers for a successful change implementation (Hayes, 2007, p.30). It is not an easy process; there is no standard approach to management. In fact, sometimes a successful change requires more than what is defined as change management, i.e. an appropriate strategy, competence (personnel with skills to adapt the change) and structure including organizational tools (Carter, 2008). Managing change encompasses understanding the drivers of the change and developing strategies to control both external and internal impacts on the organization while taking account of human factors; particularly attitudes and behaviors of people involved and organizational psychology. Change has to do with the human being, and sometimes great effort must be spent on changing the values that people have internalized. When there is a change within the organization it may affect their behavior, shared beliefs, the way they do their jobs or the rules that shape mental models. Shared mental models are a part of organizational culture (Hayes, 2007, p.62), so to achieve the desired result it is important to consider human factors and organizational culture.

Change management on employees' performance is the most significant leadership challenge of this decade. We are operating in an environment of fast paced change frequently driven by technological innovation Peters (1995). The scale of the change is far reaching often because business processes and system usage are so interdependent that a change in one can affect many others across different departments and functions hence greatly affecting employees' performance.

De Jager (2007) argues that effective change management requires matrix management, as the authority to change a process in all the departments that it moves through cannot be delivered through a silo based management structure. Change management especially on employees brings together two distinct streams of work: 1. Delivery of structural change through the introduction of new systems, processes, people, product and service innovation and the creation of new markets, suppliers, customers and competitors. 2. Behavioral change leading to a new emphasis, new culture and values, and changed priorities for each individual impacted by the structural change.

Activities can be identified, their duration estimated, and schedules and plans developed with a reasonable level of certainty to give the affected people enough time and space to digest change. Hemp & Stewart, (2004), ascertain that, behavioral change though requires an understanding of how the organization operates as a living being, the power plays operating beneath the surface of the organization structure, the values that individuals apply to their work and the forces that generate commitment, loyalty and motivation. Behavioral change can generate resistance, confusion and stress, decreased productivity and distancing of the individual from the 'organizational good'. This element greatly has a direct impact on employees' performance.

As with change management on employees, resources in behavioral change must be assigned to take responsibility for developing and applying the change management methodology, communicating throughout the change, continuously measuring progress, recognizing and rewarding results, and reinforcing changes so that it becomes embedded in the culture (Auileva, Filatotchev, & Jackson, 2008).

In his study on (Impact Of Change Management On Selected Manufacturing Firms In South East Nigeria (2014), Nicholas N. Igwe attests that

,change is viewed as an organization's response through employees involvement as a constraint . A more inclusive view on change suggests that both external and internal pressures for change are relevant. Defining change management is tough under any circumstances especially that relates to people and the environment there in write Holland and Skarke (2003:24), especially in the context of new technology being implemented in an existing organization where employees are directly used to drive the change.

Management (Nicholas Igwe 2014), implies an effort to plan the change and exert influence over other people in the process. Change management on employees is seen as a set of principles, techniques and prescriptions applied to the human aspects of executing major change initiatives in organizational settings. Its focus is not on what is driving change (technology), reorganization plans, mergers and acquisitions (M & A) Udeh & Igwe, 2013, globalization etc. but on 'how' to orchestrate the human infrastructure that surrounds key projects so that people are better prepared to absorb the implications affecting them. Change management on employees is one of the Human resource management (HRM) processes that contributes to or underpins the activities of human resources department or unit in an organization. It is concerned with advising and assisting with the facilitation of change in organizations in response to changes in the environment and the introduction of new organizational structures and systems, human resource policies and practices (Armstrong, 2005). Organizational change on employees has also been referred to as organizational development and organizational transformation through human capital (Cummings, and Worley, 2005).

According to Virama (2013), in his study entitled, "Effective Change Management" it is seen as the process that is used to help all the employees adapt successfully to the changes that are taking place in the organization. It is meant to shift the employees' mindset from their current state to a desired future state. The exit world is getting more interconnected and the economies and industries have become global. There is crisis in financial institutions, the housing market, education, health care and emerging markets to mention only a few major issues. These technologies will inevitably impact the way we manage the workforce and its entire performance which will be the hall mark of success.

Rothwell, Prescott and Taylor (1998, 2008) had identified six key changes that would have the greatest impact in the workplace. The growing importance of knowledge capital; and Increasing rate and magnitude of change. Changing technology refers to rapid advancement in human knowledge. Increasing globalization refers to the impact that rapid transportation and global communications have on how organizations conduct business.

To maintain a profitable business, organizations are making efforts to improve profits by reducing the costs of business operations for example, layoffs, minimizing the work force, cutting the pay. This must be done with a lot of objectivity since it can greatly affect the performance of the employees. The growing importance of knowledge capital refers to the key value-added capabilities of human creativity and innovation to identify new businesses, products, services and markets.

The increasing rate and magnitude of change refers to the increasing speed and scope of changes that are occurring (Saeed, Basamh 2013) respond to or even anticipate the changes brought by each trend. Organization changes can be seen almost in all types of organizations. They constitute organizational downsizing, continuous improvement, globalization of industries, Mergers and Acquisitions (Palmer, Dunford and Akin, 2009); Udeh and Igwe, (2013). Regardless of change speed, organizational change is the movement of an organization from the existing plateau toward a desired future state in order to increase organizational efficiency and effectiveness where the key drivers remain the employees. (Cummings and Worley, 2005; George and Jones, 2002; Pryor and et al, 2008). Conclusions drawn by these researchers are that the driving motives for change management on employees are the result of the need to constantly improve productivity and efficiency (Arnetz, 2005, Pryor et al, 2008, Igwe, Chibuike and Alinno, 2012).

### 3.4.2 Data collection techniques

Because the issue of Change Management on employees has already been broadly discussed, there are several books, articles and websites to help develop more knowledge of the subject and references providing the best information for the study.

At the same time some reviewed articles showed the extensive use of questionnaire as a

formidable method of data collection. Using existing data is particularly helpful in terms of time and cost. Such literatures have enabled the building of a theoretical framework and have now a better understanding about drivers of change management on employees. The use of articles and internet resources also serve as good data collection techniques as shown in the studies reviewed.

Phone conversations, and recording were used (a study by Stefanie, Detinger (2000), titled; Drivers and Implementation of Change. Employee involvement is a necessary and integral part of managing change (Schmidt & Brauer, 2006). Also he used articles from Harvard Business Review, McKinsey. Feedback from employees is a key element of the change management process and therefore serves as a good method of data collection. Analysis and corrective action based on this feedback provides a robust cycle for implementing change. Jennefer Whittal (2005) in her study: A framework for analyzing change management in geometrics development projects: used a case study and questionnaires were distributed across the staff members. This necessitated a clear insight into the concept of change management on employees performance. Virama (2013), in his study on: Effective change management, used primary data collected with the help of structured questionnaires addressing the objective of the study. This helped the researcher to relate well with respondents. He also used journals and websites which formed a very good and adequate information and easily understandable.

This is Homan (2012),” Professional Discourses and Resistance to Change” used a questionnaire, desk top research, observation of team sessions to gather data. The design helped him to develop insights that may be hard to acquire through the use of other research designs. Sevim Guler (2010), in his study change management “A Case of SAP Implementation in a Major Company, he used quantitative and qualitative methods. Multiple choice questions based on different scaling formats. Interviews and literature review. Explanatory meetings were also used, with the use of stratified sampling techniques to gather data. Face to face interviews were done which was able to evaluate the concept of change management on employees’ performance. Chamely 2010, in his study on a major construction company, web surveys which were designed and published so that employees could access to answer the question and the confidentiality of the data could be maintain was

used. The survey link and the invitation letters both for surveys and interview were sent via e-mail. The interview questions were sent to each interviewee before the interview. The interviewing process started before the surveys and but then continued in parallel. All interviews were performed face-to-face, audio recorded and transcribed. In average the interviews lasted about 40-50 minutes.

### 3.4. 3 Data Analysis Tools

The reviewed literature used the tables, bar graphs, linear graphs, pie charts to analyze data. These tools are widely viewed as simple and easy to use and comprehend. In their study on drivers and implementation of change, Stefanie, Dentinger (2009), they reduced, sorted and reconstituted data. Data display was another method employed, the model from miles and Huberman (1994), was used to analyze data. Study by, Kupes, BS, Higgs M.J Kicker (2004), The Management of Change in Public Organizations. A literature Review: used peer reviewed articles; published by ISI ranked journals to analyze data.

Virama 2013, in his study on: Effective change management used Crochbach’s alpha to analyze and interplate data. He also used correlation and mean as tools to analyze data which gave precision on the final outcome. In her data analysis, Magdalena Mika (2005), in her study on Public Sector Change Management, Managerial Success Factors, Croncbach’s alpha was used to measure internal consistency of the data.

Nicholas Igwe 2014, in his study on: Impact of Change Management on Selected Manufacturing Firms in South East Nigeria, used bar graphs and pie charts to analyze data. Sevim Guler (2010), in his study Change Management: a case of SAP implementation in major company, used content analysis to analyze data.

Thijs Homan, 2012, in his study:” Professional Discourse and Resistance to Change, “used discourse analysis and rubrics to study application of a new ICT system for an airline. Data was analyzed and presented in coded transcribes and coded into speech acts. Tables were also used to present the final findings. Chirag meter (2009), in her study: Deriving Value from Change Management ’used pie charts and linear graphs to analyses her data.

Chamley 2010, in his study on change management, a case of SAP implementation in a major construction company data was analyzed

using content analysis; the data was coded and categorized with NVivo 8.0 to obtain more efficient analysis. The quantitative data from interviews and surveys were analyzed in PAWS/SPSS 18 (Statistical Package for Social Science), Mean value, correlation and frequency distribution analyzes was performed to get more meaningful quantitative results. Qualitative and quantitative data that complemented each other was blended while determining the maturity level of the processes. The most important statistical results were shown in the tables.

#### 4. CONCLUSIONS

In conclusion, change management on employees performance is a concept that is likely to be more sustainable over the long term if the process is constructed systematically, Dolny, Helena (2001). A conceptual framework is developed in order to facilitate analysis of change management on employees performance This framework incorporates a number of facets of change management on employees performance with a view to promoting a holistic approach to analysis. Change management on employees' performance has been explored in terms of the context of complexity, resistance to change, and principles transformation. The study was able to identify the following variables as ideal in conceptualizing change management on employees performance: participatory leadership, motivational commitment, communication and training.

The forces driving change are categorized as internal and external to the organization or system (Kotter 2008). Further categorization of these forces into social, political, technological, legislative, and economic dimensions has been undertaken using a framework modified from Fahey (1994). In addition, the ADKAR model has been analyzed and focused on. Kubler-Ross model is also summarized to give an insight on the concept.

Contingency theory has also been brought forward to ascertain the crucial elements in change management on employees' performance. Empirical gaps diagnosed are shown and presented, giving room for more scientific research to be done in the identified areas. Various research methods used are well presented as well as data analysis tools used clearly shown.

#### 4.1 Proposed Conceptualization of Change Management on employees performance.

In studying change management on employees performance two related concepts of organizational responsiveness have been looked into: inertia and flexibility (Aaker and Mascarenhas 1984; Hannan and Freeman 1984; Huff *et al.* 1992; Kelly and Amburgey 1991; Rajagopalan and Spreitzer 1996; Rudd *et al.* 2007; Zhang 2006). Although both concepts characterize the speed of an organization's response to environmental change, they reflect different theoretical heritages." (Ginsberg 1990; Huff *et al.* 1992) which are anchored in human capital relations.

The concept of inertia centers on structural and bureaucratic elements that organizations develop overtimes that tend to limit change and are hence considered "weaknesses" (Rajagopalan and Spreitzer 1996). Flexibility, on the other hand, may be defined as the extent to which new and alternative decisions are considered in strategic planning and execution, enabling positive changes and adaptations to the turbulent environment (Combe and Greenley 2004; Feigenbaum and Karnani 1991; Grewal and Tansuhai 2001; Ireland and Hitt 1999; Rudd *et al.* 2007). Flexibility focuses on managerial and organizational abilities to quickly respond to environmental forces, traits that are considered "strengths" (Hitt *et al.* 1998; Rajagopalan and Spreitzer 1996).

With the acceleration of globalization and environmental dynamism, numerous studies have discussed the relationships between flexibility, strategic changes, and organizations' performance (Dreyer and Gronhaug 2004; Ebben and Johnson 2005; Kessler and Chakrabarti 1996; Rajagopalan and Spreitzer 1996; Rudd *et al.* 2007; Thourmrungrone and Tansuhaj 2007). Scholars have addressed various types of flexibility such as operational (involvement of human capital) technological and structural (Harris 2002; Harris and Ruefli 2000; Lei *et al.* 1996; Mensah and Werner 2003; Zhang 2006). Most studies have found strategic changes and flexibility to have a positive effect on firms' financial (i.e., profitability, costs) and organizational (i.e., efficiency, productivity) outcomes (Goldhar and Lei 1995; Hitt *et al.* 1998; Li 2000; Li *et al.* 2005; Rudd *et al.* 2007; Tan and Peng 2003).

Readiness for any change has been identified with a "cognitive precursor to behaviors of either resistance or support for change efforts by

employees” (Armenakis, Harris, and Mossholder 1993; Chonko et al. 2002). (Alas 2007; Armenakis et al. 1999; Chonko et al. 2002; Freiberg 1988; Ogbanna and Wilkinson 2003; Rangarajan et al. 2003). In addition, it has been argued that readiness for change reflects an individual’s unique interpretation (Eby *et al.* 2000; Spreizer 1995; Thomas and Velthouse 1990). It was also suggested that the construct of Perceived Organizational Readiness for Change (PORC) should refer to the belief of employees that the organization is engaged in practices that will lead to successful change and meaningful change (Cinire et al 2009)

Despite the extensive literature of organization flexibility, inertia, and change readiness, empirical studies have tended to use flexibility and change readiness intuitively as a clear-cut, universally understood notion (Aranda 2003; Billet and Garfinkel 2004). Hence, they do not specify or measure this notion’s attributes, but rather examine individuals’ assessments and change’s apparent effects on individuals and organizations’ outcomes (Alas 2007; Jones et al 2005; Miller et al. 1994; Neves 2009; Santhanam *et al.* 2000). Two major approaches were proposed in studying Change theories: the variance and the process. The former focuses on fixed entities with variable attributes and the later on entities that participate in events and may change over time. (Poole and Van de Van 2004; Langley 1999, Mohr 1982).

#### 4.2 Proposed Conceptual Frame Work

The conceptual frame work developed here to categorize the change management is drawn from contingency theory, the thematic concerns, the philosophical foundations of the concept, academic and management perspective of the concept as captured in the study. The conceptual framework provides means to analyze change management on employees’ performance in a holistic approach. It has observed that forces need to be internal as well as external (Beckhard and Harris 1987) to the organization or system in order to have sufficient impetus to drive effective change on employees. The conceptual framework for any meaningful change to be realized the following variables according to the study form strong pillars to understand the change management on employees performance concept, namely: participatory leadership, motivational commitment, communication and training.

#### 4.3 Communication

Change introduces a high degree of uncertainty (Lines *et al.*, 2005), and the degree of uncertainty is even higher when the change is radical (Buchanan and Badham, 1999,). Communication, as a significant instrument, can help to diminish the uncertainty, decrease the level of resistance, increase commitment and stakeholder participation (Carter, 2008). The reviewed literature in in study attests to this concern and introduces this to be a crucial variable in the study.

It is easier to communicate when goals and visions are uttered clearly and unambiguously (Buchanan and Badham, 1999), and how the messages are transmitted is as important as the message itself (Galoppin and Caems, 2007, p.212). Sometimes, the messages conveyed can be misinterpreted, so when employees do not fully understand the questions they can invent their own answers which can be worse than the truth (Hiatt and Creasy, 2003,). Therefore, as Carter (2008) emphasizes, a proper language and communication approach should be used to transmit the vision throughout the entire organization. According to Robbins and Judge (2007, p.370), communication can flow either horizontally or vertically (upward or downward).

Group leaders or managers communicate downward with employees in lower level to share information, and upward communication is more common when feedback is given to managers. Sometimes people need to communicate within the same group in order to spend less time and make the coordination easier. They also cite (p.383) Lengel and Daft’s (1988) approach regarding the information richness of different communication channels, Face-to-face conversations were found to be most effective communication channel due to the fact that it enables maximum amount of information exchange and it allows quick feedback on the information shared, using different “information cues” such as ‘words’, ‘gestures’, ‘postures’ and ‘intonations’ (p.382).

#### 4.4 Participatory leadership

Participation is expected to have a higher positive effect on people’s emotions and paves the way to accept the change (Lines, 2004; Hayes, 2007). Because it leads to commitment (e.g. Burke, 2002; Hayes, 2007, Lines, 2004), trust (e.g. Lines et al., 2005, Pugh, 2007) and attenuation of resistance (e.g. Hayes, 2007) Lines, 2004; Self and Schraeder, 2009). Lines (2004) asserts that participation will most likely

have higher positive effect when changes are less congruent with organizational culture. He further notes that the level of job multiplicity is important for the staff; if they feel that change will reduce the level of job variety, they can show negative attitude towards change, so in this case, but not when change has no or positive influence on job multiplicity, applying an approach that allows higher level of staff involvement can be useful to appease the negative attitudes. This has well been well outlined in the reviewed literature in the study, where it has been well argued.

This participatory approach also shows that managers trust their staff in decision-making which will basically create trust towards management (Lines *et al.*, 2005). This is important, because when the staff does not trust managers they will very probably show resistance (Hayes, 2007). Hayes (2007) states that participation can either involve representatives of groups or all group members.

On one hand there is higher productivity when all group members are involved instead of only one representative, because for people who are not involved, it is harder to understand and endorse the new practices. However, on the other hand involving many people can be time consuming and expensive.

Today's dynamic organizations require equipped leaders with good communication and planning skills to supervise the interaction between strategy, people and systems (Zeffane, 1996). The required change cannot be achieved unless there is strong leadership (Beer, Eisenstat and Spector, 1990b). Zeffane (1996) notes that top managers can adopt change by exemplifying it in their own behavior and efficient leadership is required to blend system, employees and procedures.

It should be noted that leadership is not same with management, but both are needed to realize the change. Recall from the study according to Senior & Fleming (2006) managers tend to focus more on "strategy, structures and the systems", whereas leaders give more attention to 'soft' issues such as people issues, shared purpose, communication and motivation. They define the role of leadership as: "...leadership is about influencing others in pursuit of the achievement of organizational goals" (Senior & Fleming, 2006).

Managing or leading strategic change can only be carried out in the existence of competent leaders and in an environment where there is trust an encouragement for organizational learning (Zeffane, 1996). Managers can create a motivational environment by getting to know the employees within the organization and determining critical factors in motivation (Pugh, 2007). Pugh further states that leading change requires some special skills such as communication, motivation, interpreting uncertainty and guiding decision behavior when there is uncertainty, as well as practical skills like the ability to achieve the desired status and to deal with anxiety about the performance and responsibilities (p.165).

#### 4.5 Motivational commitment

Although motivation depends on the strength of human being's character, it is closely associated with 'communication', 'information-sharing' and 'consultation' (Pugh, 2007). Based on the research conducted by Del Val and Fuentes (2003), misconception can occur due to lack of information sharing resulting from "organizational silence" or ineffective communication and this can bring resistance or low motivation. There has to be commitment from the organization point of view so that there is increased motivation to the employees.

The same problem can be faced when there is high uncertainty thus good communication is utmost important to increase motivation during the time of uncertainty by leaders and managers (Lines *et al.*, 2005). Abdinnour-Helm, Lengnick-Hall and Lengnick-Hal (2003) state, people are more positive towards change when they are informed about the project details and the process. People may think the change will threaten their job, so they develop negative feeling towards it (Aladwani, 2001). Trader-Leigh (2002) asserts that in order to better deal with anxiety, leaders should develop guidelines on how to inform, listen and mentor people so that "marginalized voices" can be heard. People prefer a higher level of variety in their task, so the changes that possess job enrichment are more likely to be accepted (Burke and Litwin, 1992; Line, 2004). Recall that participation is mentioned as being a trigger to positive emotions towards change. Furthermore, Beer, Eisenstat and Spector (1990) mention that to achieve change people need to be persuaded that it will not only be beneficial for their job but also for themselves. However, sometimes, in spite of all efforts, managers are not convinced to change. In this case, the managers who have difficulties to

adapt can be replaced by changing their position or the role they take within the department (Beer, Eisenstat and Spector, 1990).

Organizational commitment plays a significant role in achieving the desired change such that if there is low “psychological commitment” within the organization the adjustment to change will be noticeably slow even if not completely rejected (Burke, 2002, Robbins and Judge, 2007). Many researchers (e.g. Aladwani, 2001; Krovi 1993; Jarrar, Al-Mudimigh and Zairi, 2000; Motwani, Subramanian and Gopalakrishna, 2005) agree that attaining top management’s commitment is fundamental to accomplish successful change implementation. Managers need to be convinced before they invite their staff to accept the change (Pugh, 2007). Aladwani (2001) propounds that when group leaders are persuaded to participate in the implementation process they get the feeling of being a key person in decision making and show strong commitment, and hereby they endeavor to convince co-workers.

#### 4.6 Training

Training has high effect on successful implementation of a system and acceptance of change. Training can even augment commitment in short period of time (Beer, Eisenstatand Spector, 1990). If organizational change comes from an enterprise system training user is imperative in spite of its high costs, because if people do not know how to use the system, they cannot benefit from it (Jarrar, Al-Mudimigh and Zairi, 2000). Moreover, Self and Schraeder (2009) comment that if managers were not successful at arranging effective training programs in the past, this can result in lack of self-confidence both for managers and users, and can create a barrier for success. Training leaders may be a solution to demolish the barriers. Zeffane (1996) supports this view adding that some leadership skills can be accomplished by means of training. Another solution suggested by Self and Schrader (2009), is to assure people that adequate training will be given to support employees.

#### 4.7 Proposed Research Methodology

##### 4.7.1 Research design

To critically evaluate the change management on employees performance concept, I propose to use a descriptive research design. This design refers to a set of methods and procedures that describe variables. It involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data. Descriptive studies portray the variables by answering who,

what, and how questions (Babbie, 2002). Its advantage is that, it is used extensively to describe behavior, attitude, characteristic and values. According to Kothari (2004), descriptive design is the precise measurement and reporting of the characteristics of the phenomena under investigation, and describes phenomena, situations and events. In this regard, this will be a study investigating different variables and the empirical relationship in change management.

Primary data will be collected using a questionnaire in which both open ended and closed ended questions will be used to collect quantitative and qualitative data. Both qualitative and quantitative data will be factored, this will include: qualitative method: use of interviews surveys and observations, to help in understand of underlying reasons, opinions and motivations. Quantitative method: use of quantifiable data in the study will be put to use, a considerable number of journals articles will be used involving numerical and statistical explanations. The research philosophy of choice in this study will be positivism which is based upon values of reason and facts. The target population of the study will be chief executive officers and top management cadres of parastatals of Kenya. The population will be divided into three main categories capturing top management, middle level management and lower cadre. A stratified random sampling technique will be used, where two or more groups using a given criterion and then a number of cases are selected from each population subgroup (Kothari, 2012).

##### 4.7.2 Recommendations

The study established that there is a relationship between change management on employees performance and the general environment affecting change. Journals reviewed pointed to the direction that change management on employees performance is an all-inclusive phenomenon. Conceptualizations of change management on employees’ performance vary depending on the perspective and position taken by the researcher. A well-informed conceptualization is vital and critical to facilitate proper and in-depth insight in regards to change management on employees performance in modern organizations. Considering that drivers influencing change management on employees performance directly affects employees and organizations differently change management on employees performance is therefore a broad-spectrum initiative that requires more emphasis.

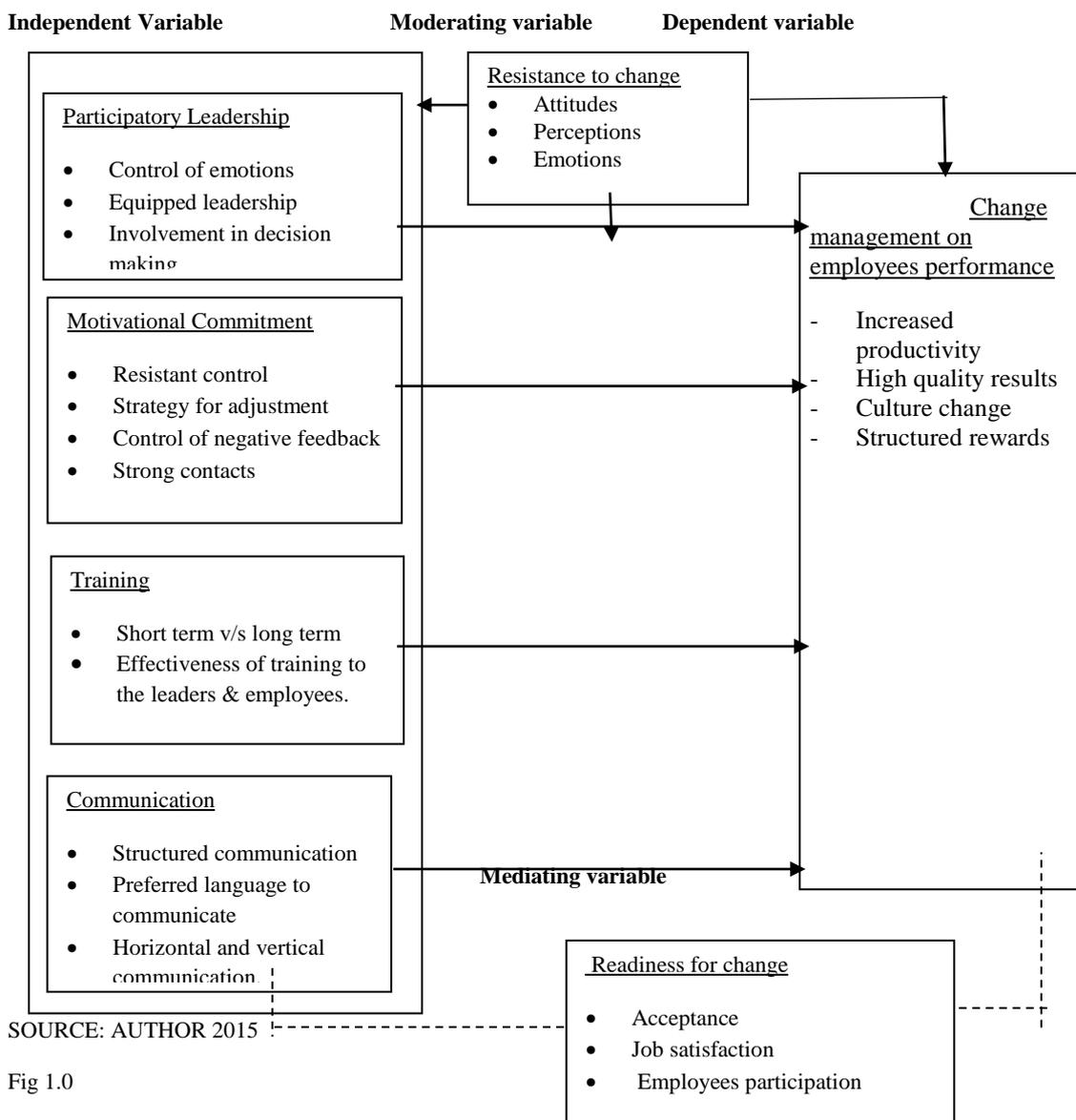
To ensure the success of the change program it is appropriate to focus on organizational structure human relations and technology, and there must be balance between these aspects to improve the performance of employees and this in turn reflects the quality of productivity.

Reducing obstacles to implement the change that need to be addressed, through research and work to provide appropriate facilities to reduce them, and the trend towards change and improve performance. Strive to provide spatial physical, professional and technical assistance facilities in the configuration and implementation of the change process and invest conditions and appropriate attitudes to change hence changing the employees' performance landscape.

Training courses for managers about change and how to manage this change and the necessary steps to be followed for change to be realized. The need to activate the informal means of communication to communicate with employees and find out glitches in action, and get new ideas that may contribute to performance upgrading

More researches and studies should be carried towards achieving a commanding threshold as regards the concept. Change management on employees practices therefore contributes a great deal in determining the level of performance of many companies and firms.

**4.7.3 CONCEPTUAL FRAMEWORK**



SOURCE: AUTHOR 2015

Fig 1.0

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