THE IMPACT OF CHANGE MANAGEMENT STRATEGIES IN ENHANCING ORGANIZATIONAL PERFORMANCE: THE CASE OF A PUBLIC ORGANIZATION

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ABSTRACT

The study explores the impacts of change management strategies on organisational performance at a National Department in Pretoria. The Department underwent strategic change that was informed by findings from the diagnostic report that highlighted key challenges. Reports on the progress of the strategy indicated leadership instability and ineffective change management that led to the failure of previous change initiatives. The main objective of this study was to identify which change management strategies are in place, what factors affect the strategies and how they impact the organisational performance. The investigation was quantitative in nature using probability as a sampling method and questionnaires as the instrument for data collection. The results were analysed according to responses against duration of service and positions as variables. The results from the survey indicated that factors affecting change management at were the lack of an effective communication plan, lack of leadership influence to drive change, resistance to change, ineffective engagement and consultation with employees, lack of resources, training, and lack of performance management programmes. These factors affected the individual performance and overall organisational performance. Impacts of concern were employee morale created by lack of support from management, lack of consultations that created uncertainty on job security and satisfaction and no value of the change realised.

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1 INTRODUCTION

The Director General of the department suggested during a presentation to staff that leadership instability and ineffective change management are key reasons for failure to implement change. Ineffective change management may be attributed to change management strategies that were previously not in place. The investigation explored the impacts that the change management strategies that are currently in place have on the organisational performance. It would assist the department to identify areas that need urgent attention and potentially lead to achievement of the efficiency desired. The change management process was aimed at turning around (turnaround) the organisation to become more agile, efficient and effective in carrying out its mandate.

2 METHODOLOGY

The quantitative approach was adopted as it enables the researcher to focus in a particular area and gather information through various means. In this case study, data was collected through the review of existing literature and triangulated with informal and telephonic discussions. An exploratory research design was followed in this study. An exploratory research design is undertaken with the objective to explore an area where little is known or to investigate the possibilities of undertaking a particular research study [1]. Questionnaires were sent out to 400 employees using emails. Total responses received were 64 over a four-month period. The questionnaire was conducted on Google Forms Survey.

3 LITERATURE REVIEW

Change is an alteration of a company’s strategy, organization or culture as a result of changes in the material conditions that the organization is faced with [2]. Change management is a form of management control through the application of systematic management interventions involving people to achieve a desired future state defined by performance outcomes which are in line with that organisation’s strategy [3][4][5] proposes that “change management is the process, tools and techniques to manage the people side of change to achieve the required business outcome”.

Passenheim [2] proposes that change management is:

- Correct understanding of the organizations that want or need to be changed
- Correct understanding of the people who are willing or forced to change
- The effectively realization of change
- Understanding the dynamics of change

Change Management is about innovative strategies and ability to adapt with necessary velocity to deal with changing variables and sudden change, it is a systematic process to prepare an organization for and implement ongoing changes that affect the business processes of organization [3]. Every organization needs to be agile, flexible, malleable, and become learning organization to embrace and implement changes and align their resources to critical business strategies if they want to overcome the world of volatility, uncertainty, complexity and ambiguity (VUCA) [6][7].

3.1 Types of change

There are two forms of change, namely, radical change and incremental change. Radical change is a form of change that has an impact on the whole system of an organisation and redefines the basic framework of an organisation including the strategy, structure, people, processes and core values [8]. Incremental change is change that happens all the time in organisations such as, changes in organisation structure, introduction of new technology and significant modifications of personnel practices [9]. Change can be either Reactive or Proactive [9]. Reactive change is characterized as that change implemented in response to some external event and or serious internal operational and managerial problems. Proactive
change is change that occurs when the company is not experiencing any serious problems however, managers anticipate the need for change to put the company in a better position [10][11].

3.2 Drivers of change
Change can be driven by external or internal forces. External forces that can lead to or drive change are political, economic, social, technological, legal and environmental factors. The Political, Environmental, Social, Technological, Economic and Legal (PESTEL) analysis provides a useful external environment scanning framework and a methodology for identifying and analysing factors that can influence the external business environment. Combining SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis with the PESTILE analysis could provide valuable information that can be utilised for strategic decision-making in an organization under study. Drivers of internal change include: new leadership, new strategy, new structures, new business model, organisation growth, redesign of jobs, redesign of business processes, outsourcing, change of location, installation of new technology and systems, changes to employees’ terms and conditions, being acquired or merged with another organisation and redundancies [10].

3.3 Managing change
Change most often creates a sense of uncertainty, panic, stress, and anxiety for those impacted by the change, which is often interpreted as resistance by change champions who are far ahead on the change management process due to their involvement from the start and have detailed knowledge of the nature, depth and breadth of the change [12]. It is therefore necessary to meticulously manage the change management process to ensure alignment of thinking, buy-in, create commitment, mitigate resistance, eliminate fear and ultimately ensure compliance [10].

Resistance to change is the biggest hindrance that leaders are faced with when initiating a change process. If not properly handled, resistance to change could literally bring the entire process to a grinding halt [13]. Gupta [5] lists the 8 Kotter’s steps required to manage the change process and proposes that these steps are necessary in the 21st Century to bring innovative change. The steps are:

- Establishing a Sense of Urgency
- Creating the Guiding Coalition
- Developing a Vision and Strategy
- Communicating the Change Vision
- Empowering Employees for Broad-based Action
- Generating Short-term Wins
- Consolidating Gains and Producing More Change
- Anchoring New Approaches in the Culture

Thomas [14] argues that resistance to change is a human condition. Every human being and every organization exists in a current reality; an understanding of themselves and the habits ingrained in the organizational culture which shape perspectives of individuals as well as organizations. He postulates that introducing new skills or knowledge into an organization is a difficult task. People fear change because of comfort zones shaped by years of doing things in a certain way. He concludes that management should oversee this integration with sensitivity and ensure buy-in and alignment of thinking to successfully implement the change.

3.4 Impacts on Organizational Performance
[15] argues that in today's fluid and rapidly changing workplace and one planet economy, development of organizational performance is associated with the development individual
performance, skills, knowledge and experience] However, the ability to achieve set goals of becoming competitive and productive is a mountainous task.

[16] proposes that the goal of leadership in any organization is to maximize their operational efficiency and effectiveness now and in the future. They argue that the measures of operational performance of organizations are productivity, quality, cost efficiency, timeliness and agility. Change management is therefore geared towards attainment of the organization goals by involving all stakeholders with a view of obtaining buy-in to ensure single-mindedness, focus and a shared vision.

4 RESULTS AND DISCUSSION

In this section we present the outcome of our study to demonstrate experiences of respondents towards change management.

Question 1: Leadership is influential in implementing the current Change Management Strategy

The importance of leadership in ensuring the success of a strategy is crucial for any organisation undergoing change. Figure 1 reveals that 19% agree and 50% disagree that the leadership were influential in implementing change management.

Question 2: I understand why there is change

Figure 1: Distribution of responses to question 1

Figure 2: Distribution of responses to question 2
The reason for change is understood by 52% of respondents misunderstood by 22% of the sample population (Figure 2). The percentages indicate that the need for change was realised by most respondents.

Question 3: The new Change Management Strategy helps me perform my tasks better

![Figure 3: Distribution of responses to question 3](image1)

The results from the survey indicate that 25% agreed and 44% disagreed that the new change management strategy helps them perform their task better.

Question 4: I have ideas of how changes could have been implemented

![Figure 4: Distribution of responses to question 4](image2)

A total of 45% agreed they have ideas of how changes could have been implemented and 30% disagreed. The results indicate that not all respondents were given a platform to share their ideas.

Question 5: I prefer the old way of doing things
In order to further understand whether the strategy was well received or resisted, respondents were asked if they preferred the old way of doing things: 61% disagreed and 17% agreed.

Question 6: The new changes have increased my productivity.

The new changes did not increase productivity according to 48% of respondents, 33% were not sure and only 18% benefited from the change. The results show that new changes did not increase the productivity of most respondents.

Question 7: I have been asked about how the new changes affect my work.
The results indicate that 62% of the respondents were not asked how the new changes affect their work and only 14% were asked. This indicated few consultations on a large number of respondents after the change was implemented.

Question 8: I am important for the Change Management Strategy to succeed

![Figure 8: Distribution of responses to question 8](image)

The results from the survey indicate that 64% of respondents see themselves as important for the change management to succeed and 23% did not.

Question 9: How we render service still remains the same after the new changes

![Figure 9: Distribution of responses to question 9](image)

The results revealed that 40% of respondents indicated that the way service was rendered remained the same after the new changes, 33% disagreed and 27% were uncertain.

4.1 Descriptive Statistics

Descriptive statistics is the discipline of quantitatively describing the main features of a collection of data [17]. [18] supports this proposition by pointing out that descriptive statistics does not describe data, rather it uses data to describe the world with a goal of understanding and improving comprehension of socially important phenomenon.

4.2 Reliability checks (Cronbach Alpha)

Reliability test were conducted in order to measure internal consistency, how closely related the awareness to the strategy, the impact of the strategy and organizational performance are
(Cronbach Alpha), Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1\cite{18}. The Change Management (CM) strategies and organizational consistency were measured and are presented below in Table 1.

<table>
<thead>
<tr>
<th>Variables Measured</th>
<th>Cronbach’s alpha (0.7+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change Management Strategy and Awareness</td>
<td>0.89</td>
</tr>
<tr>
<td>Factors affecting Change Management</td>
<td>0.91</td>
</tr>
<tr>
<td>organizational and Individual Performance</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Table 1: Cronbach Alpha score for reliability measures

4.3 Central tendency

Table 2 represents the descriptive statistics for the study in order to measure the central tendency. The table shows how much each variables is scored on average (mean) and how often each respondent was scored (mode).

<table>
<thead>
<tr>
<th>Statistics</th>
<th>CM Strategy and Awareness</th>
<th>Factors affecting CM</th>
<th>Organisational and Individual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.938</td>
<td>2.775</td>
<td>2.658</td>
</tr>
<tr>
<td>Standard Error</td>
<td>0.123</td>
<td>0.098</td>
<td>0.101</td>
</tr>
<tr>
<td>Median</td>
<td>3.200</td>
<td>2.763</td>
<td>2.647</td>
</tr>
<tr>
<td>Mode</td>
<td>4.000</td>
<td>3.684</td>
<td>2.647</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.582</td>
<td>0.780</td>
<td>0.806</td>
</tr>
<tr>
<td>Sample Variance</td>
<td>0.365</td>
<td>0.609</td>
<td>0.650</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>-1.005</td>
<td>-0.508</td>
<td>-0.493</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.177</td>
<td>-0.143</td>
<td>-0.202</td>
</tr>
<tr>
<td>Range</td>
<td>3.800</td>
<td>3.526</td>
<td>3.412</td>
</tr>
<tr>
<td>Minimum</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Maximum</td>
<td>4.800</td>
<td>4.526</td>
<td>4.412</td>
</tr>
<tr>
<td>Sum</td>
<td>188.000</td>
<td>177.632</td>
<td>170.118</td>
</tr>
<tr>
<td>Count</td>
<td>64</td>
<td>64</td>
<td>64</td>
</tr>
</tbody>
</table>

Table 2: Summary for descriptive statistics results

On average for the mode the results indicated that the responses for CM Strategy and awareness, and factors affecting CM was at 4 meaning that majority of respondent agreed to the statements that they are aware of the strategies and factors affecting the change management strategy at the department.

When measuring the mean across the three variables, respondents were uncertain of the change management strategies and awareness and factors that affect them and how that impacts on the organizational performance.

4.4 Correlation Analysis

Pearson correlation coefficient which measures the degree to which there is a linear association between two interval-scaled variables was done \cite{19}. A positive correlation reflects a tendency for a high value in one variable to be associated with a high value in the
second whilst a negative correlation reflects an association between a high value in one variable and a low value in the second variable [20].

<table>
<thead>
<tr>
<th></th>
<th>CM Strategy and Awareness</th>
<th>Factors affecting CM</th>
<th>Organizational and Individual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM Strategy and Awareness</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factors affecting CM</td>
<td>0.79</td>
<td>1</td>
<td></td>
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<tr>
<td>Organizational and Individual Performance</td>
<td>0.72</td>
<td>0.88</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 3: Correlation between the CM Strategy and Awareness, Factors affecting CM, and Organizational and Individual Performance

There is a relationship between CM Strategy and awareness and factors affecting CM strategy (0.79) and between CM Strategy and awareness and organizational and individual performance (0.72), furthermore between factors affecting CM strategy, and organizational and individual performance (0.88).

4.5 Regression Analysis

A regression model was built with the following as variables:

- Independent variables: CM Strategy and awareness and factors affecting CM strategy,
- Dependent variable: Organizational and individual performance

<table>
<thead>
<tr>
<th>Regression Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
</tr>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>Adjusted R Square</td>
</tr>
<tr>
<td>Standard Error</td>
</tr>
<tr>
<td>Observations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANOVA</th>
</tr>
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<tbody>
<tr>
<td>df</td>
</tr>
<tr>
<td>Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.13444</td>
<td>0.18341</td>
<td>0.73297</td>
<td>0.46639</td>
<td>-0.23232</td>
<td>0.50120</td>
<td>-0.23232</td>
</tr>
<tr>
<td>CM Strategy and Awareness</td>
<td>0.06235</td>
<td>0.08196</td>
<td>0.76077</td>
<td>0.44972</td>
<td>-0.10154</td>
<td>0.22624</td>
<td>-0.10154</td>
</tr>
<tr>
<td>Factors affecting CM</td>
<td>0.84327</td>
<td>0.10318</td>
<td>8.17262</td>
<td>0.00000</td>
<td>0.63694</td>
<td>1.04960</td>
<td>0.63694</td>
</tr>
</tbody>
</table>

Table 4: The impact of CM Strategy and Awareness, and Factors affecting CM on Organizational and Individual Performance
Only one variable, factors affecting CM strategy had a significant impact or influence on organisational and individual performance with \( P=0.0000 <0.005 \). Considering other variables such as the CM Strategy and awareness which had an insignificant impact with \( P \) value greater than 0.05, it can be concluded further based on correlation that, factors affecting change management require awareness of change management in order to address the performance.

4.6 Interpretation and Discussion

4.6.1 Strategy Awareness

Results from the survey indicated that 67% of respondents were aware of the Turnaround strategy. They worked more than four years and understood the strategy. The percentage decreased with less years worked. Respondents who were at senior positions were more aware and understood the strategy compared to those in administrative positions.

The awareness of change management strategies and drivers of change was recognised only by those in senior positions who worked longer at the department. These were respondents who agreed that they were the agents to drive the implementation of change. This was particularly a concern that majority of the respondents were unaware of how the changes were managed.

This results points to a probable poor interaction or rather a communication gap between respondents at top levels with those occupying administrative functions and those who worked more than four years and those who worked less years.

4.6.2 Type of Change Management strategies

The results from the survey have highlighted certain aspects for understanding the type of change management strategies in place. There were few respondents that were responsible for implementing the change. Only minority that worked for 2-4 years and >4 years and senior positions received consultation regarding how change affected them. As the Turnaround strategy was introduced for improvements in the department, about 51% of the respondents indicated that their tasks were aligned with the Turnaround strategy. Majority (71%) of respondents indicated that they did not prefer the old way of doing things, indicating willingness to embrace change. Most of the respondents indicated that they did not receive sufficient information.

4.6.3 Factors affecting the Change Management Strategy

Leadership Influence

Survey results indicated that a high percentage of respondents employed by NDPW PO, with service period of between 2-4 years and those with service period greater than 4 years clearly understood the need for change, majority of respondents indicated that the leadership was not influential in driving the change. This may impact the success of the Turnaround strategy at NDPW PO.

Resistance to change

Resistance to change is common when change is implemented in organisations, causing anxiety and stress [21]. Survey results indicated that there are some elements that indicate possible resistance to change. A high percentage of the respondents indicated that they had ideas on how the change could have been implemented. The respondents are those who had been in the employ of NDPW between 2 and 4 years and those who had been in the employ for greater than 4 years,

Respondents indicated that they did not receive sufficient information regarding the change. Fifty percent of respondents indicated that they were not given sufficient time to understand
the Turnaround strategy. Respondents indicated that they did not have job security after change was implemented (86% with 2-4 years). Those that indicated they have job security, worked for more than four years and constituted 40% in that category.

Respondents (53%) indicated that they did not have support to help them deal with the new changes. 47% percent of respondents indicated that they do not have job satisfaction after the new changes. In all of the categories of years worked, the percentage of those who disagreed were high compared to those that agreed. A total of 59% of respondents indicated that they did not have resources to help them perform their tasks.

**Insufficient skills and Communication**

The results from the survey indicated that there was leadership and communication skills improvement required to make the strategy successful. Culture

Respondents indicated that they understand the vision and mission of NDPW, they understand why changes are there and they did not prefer the old way of doing things.

**4.6.4 Impacts on Organisational Performance**

The drivers of change at NDPW were aimed to address challenges such as, leadership instability, lack of support and buy-in and support in governance processes within the organisation, lack of policies, low employee morale, poor planning and management and poor asset management. The results of the survey indicated that a high percentage of respondents hold positions of Above Deputy Director and worked at NDPW PO for more than 4 years were 89%. In total those that hold senior positions and worked more than four years were an average of 91% of the sample population.

The employee morale at the department remains a concern as most of the respondents indicated that they do not have job security, job satisfaction, support from management, new changes did not improve their productivity and few received training to help them cope with changes. Respondents were either not sure (30%) or disagree (34%) that they are coping with the new changes. Areas that need further improvement are, consultation with employees on managing change and providing support in the form of training and resources.

Survey results indicated that a high percentage of respondents did not receive any feedback regarding their performance in all the categories of years worked as well as the position held. Respondents indicated that the feedback regarding the change management was important for their performance. This results indicate lack of performance management systems. Only 13% of respondents indicated that service delivery improved after the new changes.

Forty percent indicated that the way service was rendered remained the same after the new changes. Positive feedback drawn from the survey results includes, respondents are motivated to do their jobs, their tasks are aligned to the Turnaround strategy, they are able to make more informed decisions guided by policies in place, decision making is aligned with the Turnaround Strategy and they are important for the strategy to succeed.

**5 RECOMMENDATIONS AND CONCLUSION**

In the world that is driven by volatility, uncertainty, complexity and ambiguity (VUCA) the ability to adapt to changing landscapes in the 21st Century is a key requirement for organizations. The phenomenon of change management was discussed, factors that drive change management were presented and lastly the quantitative survey results were presented. It is clear that change management at NDPW PO had major set-backs in terms of successful implementation of the change management process to support the turnaround strategic initiative. The determinants that resulted in poor change management process were poor buy-in and poor alignment to the strategic initiative by all.
Further research should be conducted to understand the system dynamics of the change management process; this could offer insights on what happens to the entire change system when change drivers are manipulated.

6 REFERENCES


