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Change Management and Organisational Performance: A Review of Literature

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ABSTRACT: The business landscape of the 21st century is characterized by rapid change brought about due to technological, economic, political and social changes. How organisations react, operate and adapt to any changes determine the survivability of the company. Change is an inevitable process whether at a personal level or in organization. It is also interwoven with risks, and therefore has to be effectively managed in order to be successful. The study was conducted using data from a singular source. Information was sourced from journals, magazines, articles, periodicals, textbooks, internet, and other unpublished materials applicable to the work written by different authors on the current topical issue. It was concluded that by improving the readiness for change, organizations can strengthen their adaptability mechanisms and build their internal competencies for facing future uncertainties or many such multiple change auguring situations.

I. INTRODUCTION

In today's business evolvement, change is constant and organisational leaders who anticipate change and react rapidly and responsibly are successful (Pryor, Taneja, Humphreys, Anderson & Singleton, 2008). In fact, the pace of change is so rapid and the degree of obsolescence if organisations resist change is so brutal that the only way out for many firms is to change or perish. In this context, it becomes critical that organisations develop the capabilities to adapt and steer change in their advantage.Change is often a complex and difficult process but at the same time, it is inevitable. No organisation today - large or small, local or global - is immune to change (Kotter, 1998). This is particularly due to the rapid change in technological innovation, advances in information technologies, internal and external pressures, e-business and globalization,deregulation, a growing knowledge workforce, shifting social and demographic trends, which create a stiff competitive environment.

How organisations react, operate and adapt to any changes determine the survivability of the company.The differentiating factor is widely considered to be how such organisations manage change in light of what Hayes (2014) refers to as a world of new technology, blurred organisational boundaries, and an increasingly globalised workforce. Change is interwoven with risks, and therefore it has to be effectively managed in order to be successful. Research has shown that the management of organisational change most times tends to be reactive, discontinuous and ad hoc with a reported failure rate of around 70 per cent of all change programmes initiated (Burnes and Jackson, 2011).Hence to survive, organisations tend towards being more innovative, creative and competitive.

Organizational performance can be judged by many different constituencies, resulting in many different interpretations of successful performance. Each of these perspectives of organizational performance can be argued to be unique. Further, each organization has a unique set of circumstances, making performance measurement inherently situational (Cameron & Whetton, 1983). Three specific areas of firm outcomes have been employed in the measurement of organisational performance. These include (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). This paper examines organizational performance from a single constituency perspective of the relationship between change, change management and the general performance (all

indices of good organisational performance) of an organization. From this perspective, successful organizational performance can be equated to successful value creation for common stockholders.

II. AIMS AND METHODOLOGY

The study was conducted using data from a singular source. Information was sourced from journals, magazines, articles, periodicals, textbooks, internet, and other unpublished materials applicable to the work written by different authors on the current topical issue. Secondary source of data collection was therefore adopted with the data examined using the content analysis approach due to its dependence on the secondary source data.

III. OVERVIEW OF CHANGE MANAGEMENT

Change management is a broad term, which encompasses any approach to aiding an organisations ability to manage the change process in either a steady or transformational manner.Competition and globalisation are constantly increasing in today's world hence change management has become increasingly important. Managers viewed today's business environment and marketplace demands as chaotic, uncertain, constantly changing, disruptive, and complex. The leap in complexity, connectivity, interdependency, and speed, compared to 20 or 30 years ago, has created an environment that is radically different and requires new approaches to change (Worley &Mohrman, 2014). Change management (CM) signifies both the theory and the practice of transforming organisations in order to adapt and thrive in a dynamic environment, as well as the study of how individuals within changing organisations cope.

Change management has been defined as the process of continually renewing an organisation's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers (Moran and Brightman, 2001). Kotter (2011) refers to change management as a set of basic tools or structures intended to keep any change effort under control. The goal is often to minimize the distractions and impacts of the change. Change management is the process of continually reinventing the organisation's direction, structure, and capacities to assist in the changing needs of outer and insider clients and environment (Siddiqui (2017). It is the term used to refer to the change or transitioning people, groups, companies and projects undergo from one state to another. When this term is applied to businesses and projects, it may refer to a process of transitioning the scope of the project in such a way that it can meet changing requirements and objectives (Belyh,2019). Some researchers have also described change management as an attitude and style with which the leaders of an organisation pursue the people to adopt the change in the strategic or operational direction of the organisation so that the strategic changes could be implemented successfully to meet the changing needs of the organisation as well as the market.In practical terms, change management can also be defined as the process, tools and techniques tomanage the people side of change to achieve the required business outcome (Creasey, 2009). Passenheim(2011) proposes that change management is the 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 effective realization of change and understanding the dynamics of change.

Processes of change management include the need to plan for change, manage change and then reinforce change and such processes are supported by a wide range of tools including communication, coaching, training and the identification of prescriptive change models including that of Kotter's eight-step change model (1996).It involves the application of structured methods and a pre-planned framework so as to steer business from its current state to a desired state. Successful change management is an on-going process that takes time, expertise, dedication and efforts to implement and run. It requires the involvement of people or staff of the company and may also result in these people being affected by the changes too.

Before adopting one of the many effective and popular change management approaches and models, an organisation must first figure out why it needs the changes and how the changes will benefit it. Driving successful change in individuals and organisations requires new thinking, new models for change, and new tools.

3.1 Need for Change

Green (2007) posits that the need for change can come from within the organisation or from without. It can be imposed by regulatory bodies or made necessary by the actions of competitors. It can emerge from a perceived need within the organisation as a result of a planned process of strategic review, as a result of a crisis or a change in leadership. Usually, what needs to change often emerges from organisation's internal and externalanalysis. Organisational internal environment often includes its structure, its

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systems, its processes, its people, its financial resources, and its culture. A change agent may wish to take a hard look at anorganization and ask what shape it is in and what it is capable of doing and then look at the environment it finds itself in.

Alternatively you may want to scan theexternal environment to assess what is happening out there and then look to see what needs to change in here. By scanning the current and future environment looking at political, economic,social, technological, legal and environmental (PESTLE) forces you will be able to see what possible future scenarios might be facing your organisation, and which of the scenarios you can plan for or exploit as well as what trends might impact on the strategic decision-making process (Green, 2007). Questions that may arise include what are the key policy directions of the current government(Federal, state and local) as it relates to our operating environment? What are the current trends in the economy and how might they impact(favourably or adversely) on your organisation, market and industry? What are the social trends that will affect our customers and markets? How will new technologies help us get our products and services to market? Given current and emerging trends in national and international legislation, what do we see as the most significant factors? What environmental factors or economic crises are likely to influence or require us to adjustour strategy and what opportunities do they present?

Cameron and Green (2004) posit that McKinsey's 7S model is a rounded starting point for those facing organisational change as it offers ways of assessing the infrastructure of the organisation as it is now and what it needs to be like in the future in order to maintain or attain a competitive advantage or sustained effective performance. The interconnectedness of the components of Mckinsey's model and their interaction with the external environment makes this model a unique one.

3.2Change Process and Management

As opined by Burnes (2009), the change process can be viewed as a triangle with people, objectives/outcomes and planning forming the edges. The process involves the implementation of change through systematic planning, organizing and implementation of change to reach the desirable future state without affecting the continuity of business during the process of change. It begins with establishing a team that will be involved in planning the change and setting the objectives and the intended outcomes. The people within the organizational are then informed of the new strategy and its implementation process. It is the responsibility of the team to monitor the progress and issue corrective measures to align with the progress of the set goals.

Green (2007) posits that each organisation has stakeholders with enough power to thwart any change (be it the local authority, the government, the shareholders, the tenants, or the staff) but if positively engaged, could become forces for driving the change forward rather than restraining it.Hence,the key focus in entering the change process is to ensure that you have a power base and that a careful analysis has been made of the positions of the key stakeholders, their views and their willingness to be advocates or blockers of the change. Getting close to the customers, the suppliers and the staff can help organisations without thoroughly worked out plan to accomplish a set of possible changes.Understanding motivations and who are the likely winners and losers as a result of the change will help assess the feasibility of the change and where energies should be channeled.

Dealing with the change is the most challenging part since people are generally resistance and comfortable with the existing methodologies especially as the general views are constantly changing necessitating the adoption of newer systems which leads to a better realization of the set objectives and goals of the organisation. Hiatt and Creasey (2003) highlighted some findings while looking at change management in more than 400 companies worldwide and found that the greatest contributors to successful change management were:effective sponsorship from senior management in terms of active visible support; ongoing support throughout the life of the initiative;communicating and being ambassadors for change;buy-in from front-line managers and employees, which got the change moving and kept momentum going;continuous and targeted communication throughout the project,tailored in depth and breadth to the different interested communities;an exceptional change management team taking the form of an experiencecredible team who maintained good internal working relations and also networkedinto the organization; anda well-planned and organized approach that is best fitted to the type ofchange being managed.

Hiatt and Creasey (2003) also highlighted the major factors that contributed to change failure as:poor executive sponsorship;employee and staff resistance;middle management resistance;corporate inertia and politics; andlimited budget, time and resources**.**It has been noted that for people to be

more accepting, the end results should be in their favour. Over the last century, there has been varying approaches that companies have used in the executions of their change objectives. However, it has been pointed out that there has always been a rift between the approaches used by the different parties involved. It becomes crucial that those in power have the know-how on how to deal with the system / individuals as they go through the transition stage and employ the new set code of action. If this is not taken into account, rift and strife will be prominent which will further hinder the process of changes. Understanding change and change management becomes crucial in order to be in a position to fit in into the new system.

3.3 Types of Change

Organizational change has been studied extensively in literature (Dunphy & Stace, 1988; Burke & Litwin, 1992; Boonstra, 2004; Jashapara, 2004; de Wit and Meyer, 2010) as referenced in S. Karnouskos, (2017). There are several types of change, e.g., incremental change, where small adjustments are required, discontinuous change where a major transformation is due, anticipatory change where a change is initiated but without an immediate need to respond, reactive change, which is a direct response by an organization to a change in the environment, radical change when change 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. 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 (Nagresh, et al, 2019). Change can be either Reactive or Proactive (Nagresh, et al, 2019). 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 (Aninkan, 2018).

When approaching change it is also useful to be able to understand the extent of the changes that you are facing or are going to initiate (Green, 2007). Balogun and Hailey (2004) have segregated the nature of the change (incremental and 'big bang') from the end result (transformation and realignment), which results in four fundamental types of change namely Adaptation, Reconstruction, Evolution and Revolution. Adaptation isa non-paradigmatic change implemented slowly through staged initiatives.Reconstruction also is a non-paradigmatic change to realign the way the organisation operates, but in a more dramatic and faster manner.Evolution is a transformational change implemented gradually through different stages and interrelated initiatives and finally, Revolution is fundamental, transformative change… but it occurs via simultaneous initiatives on many fronts, and often in a relative short space of time.

(Todnem, 2005) also identified four types of changes that occur in organisations: Discontinuous change, Incremental change, Bumpy incremental change, Continuous change and Bumpy continuous change.

3.4 Drivers of Change

The driving force behind the change of organizations has been a central and enduring quest by scholars and practitioners in the field of management. It has proved to be hard to find the sequence of events that lead to the unfolding of the events of change. There are several reasons why an organization can choose to adopt a new system or structure of doing business. Be it for corrective measures, matching up with the prevailing market trends or even for steering the company ahead, the management at one time will have to make some decisions that alter the normal approach of doing business (Porras and Silver, 1991).

Several theories such as the evolutionary and teleology (Van Den Ven& Poole, 1995) have been developed in attempt to explain the cycles and motor of change. Firm characteristics, such as size, sector, ownership, and location, R&D investment and engaging with external knowledge sources have all been identified as influential drivers of innovation activity (Mansury and Love 2008; Gordon and McCann 2005; Love, Roper, and Du 2009; Roper, Hewitt-Dundas, and Love 2004). Both the internal and external environments significantly influence how businesses operate and the changes that they can make. Organizational politics, power and culture have significant influence on the process of change since they are key factors to the final decision and implementation process (Burnes, 2009, 250).

Anderson and Anderson (2001) identify 7 primary drivers of change, starting with external forces and moving to internal forces.He described external forces as ones that leaders are more familiar with and will often think of first when determining the underlying cause of the change and the extent of the impact of the change. External

drivers can include a need to change to meet the changing needs/demands of stakeholders, or perhaps to align internal systems to reduce overhead costs and allow for a more internal flow of information. These include the business environment, marketplace requirements for success, business imperatives and organizational imperatives. Internal drivers are harder to identify and articulate, but if not attended to, they could lead to an unsuccessful project. These include but not limited to cultural imperatives, leader and employee behaviour and leader and employee mindset.

Attending to both internal and external drivers is paramount to success as too much focus on one can lead to challenges.Most changes usually will have an external driver that initiates the need for change, but frequently, that external driver will trigger an internal driver as well.

3.5Change in the 21st Century

It is the responsibility of the management to steer the organisation in achieving the desired change. One of the key problems that the management are facing today is the effects of globalization. The unified market has brought a new edge in sustainability, workforce diversity and business ethics (Hage, 2006). Firms can introduce and/or change management structures to facilitate inter-departmental and external collaborations which have been shown to positively influence innovation performance (Cuijpers, Guenter, and Hussinger 2011; He and Wong 2012).

The Digital Age is well and truly upon us. There is technological acceleration everywhere with such speed and connectivity which is upending the old methods of doing things. As a result, some long standing and reputed businesses that failed to make the necessary adjustments and transition to survive and prosper in the digital age are destroyed.Indeed, so far the digital age has meant that start-ups such as Uber have managed to create an entirely new model of how businesses work and in the process, engaging and driving a Creative Destruction Frenzy that has seen the likes of the traditional medallion taxis firms being rendered obsolete.In addition, what the Digital Age has also done is to Empower Billions of Consumers into a new form of Free Market Capitalism where they have plentiful choices and the ease and convenience of transactions on their computers or Smart phones has become so pervasive that an entire layer of middlemen have been made redundant and in turn, a direct exchange between the businesses and the consumers has taken root.

As is expected, this new form of conducting business and transacting commerce has put organizations everywhere on their toes scrambling to get on the digital bandwagon or be left out completely.Thus, we see media reports about how corporations are embracing responsive methodologies, discarding their hierarchical organizational structures for flexible as well as self-organising models.In addition, more organizations are moving away from top down methods of working to an open systems and symbiotic models where each unit is self-contained and is in a position to take feedback and act on same in real time.Considering the shift in emphasis away from manufacturing towards services and application development as opposed to basic product development world over, it is time for companies to realize that the need for innovation and the speed at which they innovate remain the critical success factors to succeed in the marketplace of the 21st century.

In other words, the defining terms of the Digital Age are Speed, Connectivity, Network, and Real Time modes of working. While some organizations are succeeding, some others are still struggling to find their feet.

3.6 Resistance to change

It goes without saying that “he who rejects change is the architect of decay and the only human institution that rejects progress is the cemetery” (Juneja, 2015). With this axiom in mind, it is critical to understand that unless change is actively embraced, organizations in the 21st century risk obsolescence.Changes are often treated with resistance (Gravenhorst &Veld, 2004), however (Gravenhorst et al., 2003) conclude that “resistance to change only occurred in combination with badly designed and managed change processes”. It can take a great range of forms including reduction in output, increased turnover, arguments, strikes and vocal expressions as to why the change will not work.As such, any change has to be carefully planned and put into consideration the multi-angled interactions among the various stakeholders within the change process.

According to Teffo (2017) organisational changes often met with resistance due to fears such as disturbed habits and security, destruction of existing networks which creates uncertainty and insecurity, distraction from professional focus, worry that skills are not valued, changes happens too frequent, similar projects failed, insufficient chance to influence things oneself. Often it is fear of the unknown or perhaps how the change will impact them that makes people to resist change.

Again, when people do not know all the answers, they feel like they have lost control and that makes them feel hopeless.Fear of change to a certain extent should be expected and it is up to managers to try and manage this process effectively to minimize concern. Following Kotter's eight steps is important here with the creation of a vision and coalition important to guide the change.

Here are some of the reasons individuals may resist change within an organisation. First is the element of surprise/fear of the unknown. Organisations have a tendency to revert back to the status quo and as a result, change can be scary for some. This type of resistance can occur when transformational/radical change takes place due to the inability to give sufficient time to the change process, which often results in a lack of employee involvement. If employees perceive the new change to be negative or see it resulting in job losses, they may resist the change as a way of pushing back.

Secondly, not trusting in those in charge of the change or believing in them may also lead to change resistance. For change to be successfully implemented there is often a need for employees to highly respect those involved and as such it may be difficult for a new change manager to build trust in their followers. This lack of trust can in itself result in increased resistance to change. The third reason is loss of control. Coupled with any discussions of change initiatives is often the word control. Any form of efficiencies including downsizing or restructuring may cause fear and this could cause employees to resist by looking for employment elsewhere. The fourth reason is timing. There are two main dominant forms of change: transformational/radical and incremental change. If an organisation has to undertake a radical change, there may be a difficulty in their ability to involve employees, which can lead to resistance.Lastly is an individual's tolerance to change. Change is often a very personal thing and this tie into the complexity and at times messiness of change.

A key process in dealing with resistance to change is to identify where the resistance is coming from and pay attention to what the opposing views are. This would form the basisof your choices and your designs in restraining these forces or finetune the change plan itself (Green, 2007). Several change management strategies aiming at making change a success, have been developed and are used in modern enterprises today such as the McKinsey 7S model, (Waterman et al., 1980), ADKAR (Hiatt, 2006), and Kotter's 8-step Model (Kotter, 1996) to name a few.

3.7 Change Formula

Beckhard and Harris (1987) developed a change formula which identified the factors that need to be in place for change to occur:

$C = [D \times V \times FS] > R$

Where:

C is the change that will occur;

D is the level of dissatisfaction with the status quo;

V is the desirability of the proposed change, the end state or vision;

FS is the first practical steps of the change; and

R is the resistance to change.

Although very simple, the formula does capture the essence of many a change project. Indeed if ever your change initiative is stalling, a quick check of the status of the factors will reveal where the potential problems lie. As in any such equation the basic premise is that factors D, V and FS must be greater than the resistance or cost of the change for progress to occur. The multiplication signs imply that if any one factor is not present (i.e. zero) then the change effort itself will definitely be faltering as the product of the equation will also be zero. So if there is very little dissatisfaction with the status quo, or if there is no compelling vision, or if there is no clearly understandable plan then momentum is unlikely to build. Beckhard and Pritchard (1992) later added a further factor of believability (credibility that there is something wrong with the status quo, that the new vision is realistic and there are cogent plans in place) and De Woot (1996) added the concept of capability (the organization has the means to make the change) while Green (2007) in his study of organisations going through rapid change, added capacity (the resources available).

3.8Importance of change management

The field of change management has been widely trying to make sense of the value of change and as a result, an effective and sustainable approach to change management has been linked in the literature to a number of outcomes including organisational excellence (Goetsch & Davis, 2014), sustainability (Zuber-skerritt & Louw, 2014) and competitive advantage (Ram, Wu & Tagg, 2014). If change is ill managed then this can have a detrimental impact on the success of an organisation and thus there is a need to focus upon how the benefits of change management can be realised.

To standstill is not an option in a dynamic business environment and therefore the importance of change management is arguably more important than ever. There are plentiful examples of companies who have failed to change and have

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suffered as a result. One such example is the case of the once phone giant Nokia.

3.9Organisational Performance

To perform is to take a complex series of actions that integrate skills and knowledge to produce a valuable result. Performance measurement has great significance in effective management of an organisation and in the enhancement of the processes since only measurable things is manageable. Hence, the enhancement of the organisational performance requires some measurements to determine the impact of the level of change management upon business performance. In theory, the concept of performance forms the core of strategic management and empirically, most strategy studies make use of the construct of business performance in their attempt to examine various strategy content and process issues. In management, the significance of performance is clear through the many prescriptions provided for performance enhancement. Hence, organisational performance requires measures to identify the effect of organisational recourses upon business performance. Performance measurement is very crucial for the organisation's effective management and enhancement of the process is impossible without outcome measurement.

3.9.1 Theories of Firm Performance

Resource-based theory (RBV) may be the most popular way of explaining why some firms succeed and others fail (Al-Matari, Al-Swidi & BtFadzil, 2014). One important advantage that resource-based theory offers over the alternatives is that only resource-based theory does a good job of explaining firm performance across a wide variety of contexts. Thus RBV offers the business point of view that has the strongest value for most executives(Al-Matari et al., 2014). But RBV is far from the only explanation; other prominent theories which explain firm performance include stakeholders' theory, enactment theory, theory of environmental determinism, institutional theory,and transaction cost economics theory.

The 1990s saw the emergence of the stakeholders' theory (Hubbard, 2009). This theory sees the firm as responsible not only to shareholders, but also to a wider group which includes employees, representatives, customers, suppliers, government, industries, bodies, local communities etc. As such, its performance must be measured by how much it is able to satisfy these stakeholders (Freeman, 1984; Reich, 1998; Post et al, 2002; Brown & Fraser, 2006; Steuer, 2006). The stakeholder theory assesses organisation performance against the expectation of a variety of stakeholder groups that have particular interest in the effects of the organisation's activities. Its perspective of organisational performance incorporates stakeholder value, but recognises that shareholders are just one group of stakeholder and only relevant to those organisations that issue shares (Hubbard, 2009).This theory agrees with the belief of Prof Milton Friedman who stated that 'the business of firms is to make profit' (Porter, 1980; Owen, 2006; Brown & Fraser, 2006). Owen (2006), in agreeing with the shareholders' theory believes that organisational performance encompasses three specific areas of firm outcome: financial performance (profits, return on assets, and return on investment), product market performance (sales and market share) and shareholders returns (total shareholders return and economic value added).

Enactment theory contends that an organisation can, at least in part, create an environment for itself that is beneficial to the organisation through outstanding strategies that reshape competitive conditions in a favourable way (Al-Matari et al., 2014). This puts a firm in control of its destiny. Microsoft and Apple are two firms that seemed to have enacted their environments. By the 1990s, Microsoft had been so successful at reshaping the software industry to its benefit that the firm was the subject of a lengthy antitrust investigation by the federal government. More recently, Apple has been able to reshape its environment by introducing innovative products such as the iPhone and the iPad that transcend the traditional boundaries between the cell phone, digital camera, music player, and computer businesses. No airline has ever been able to enact the environment, however, perhaps because the airline industry is so fragmented(Al-Matari et al., 2014).

Environmental determinism theory contends that external factors drive a firm's fate(Al-Matari et al., 2014). The theory offers a completely opposite view from enactment on why some firms succeed and others fail. Environmental determinism views organisations much like biological theories view animals—organisations (and animals) are very limited in their ability to adapt to the conditions around them. Thus just as harsh environmental changes are believed to have made dinosaurs extinct, changes in the business environment can destroy organisations regardless of how clever and insightful executives are. In the early days, the US federal government controlled airlines' routes and prices. After the U.S. airline

industry was deregulated in the late 1970s, a series of large airlines fell prey to poor environmental conditions such as recession, overcapacity in the industry, and fuel shortages. Many industry experts claim that the demise of Braniff Airlines, Eastern Airlines, and others was inevitable (Al-Matari et al., 2014).

Institutional theory is interested in the extent to which firms copy each other's strategies(Al-Matari et al., 2014). Consider, for example, fast-food hamburger restaurants. Innovations such as dollar menus and drive-through windows tend to be introduced by one firm and then duplicated by the others.After American Airlines became the first major airline to create a frequent-flyer program in 1981, its competitors quickly developed their own frequent-flyer programs. In the late 2000s, a new idea of charging passengers to check their luggage was copied by one airline after another (Al-Matari et al., 2014).

Transaction cost economics theory centres on whether it is cheaper for a firm to make or to buy the products that it needs (Al-Matari et al., 2014). This is an important element, however, because choosing the more efficient option can enhance a firm's profits. Automakers such as Ford and General Motors face a wide variety of make-or-buy decisions because so many different parts are needed to build cars and trucks. Sometimes Ford and GM make these products, and other times they purchase them from outside suppliers. These firms' financial situations are improved when such decisions are made wisely and harmed when they are made poorly. No airline has ever chosen "make" when needing new airplanes. Buying airplanes from Boeing or Airbus is much more efficient than trying to backwardly integrate into the airplane manufacturing business would be(Al-Matari et al., 2014).

Another concept of organisational performance based on the stakeholders' perspective is the Balanced Score Card (BSC). This incorporates financial, customer/market, short term efficiency and long-term learning and development factors into the measurement of organisational performance (Kaplan & Norton, 1992). According to Kaplan and Norton, the BSC should have a total of 14 to 16 performance measures with no more than 6 in each quadrant.

3.9.2 Determinants of Firm Performance

In practice, change management relationship with firm performance was highly dependent on accounting-based indicators or market-based measurements namely the level of Return on Assets (ROA), Return on Equity (ROE), Tobin-Q, Profit Margin (PM), Earnings Per Share (EPS), Abnormal returns; annual stock return, Operating Cash Flow (OCF), Return on Capital Employed (ROCE), Labour productivity (LP), Critical business Return on Asset (CROA), Market Value Added (MVA), Operation Profit (OP), Return on Investment (ROI), Market-to-book value (MTBV), Log of market capitalization, LOSS, Growth in Sales (GRO), Stock Repurchases, Sales Per Employee(SPE), Return on revenue (ROR), Output per staff (OPS), Cost Per Service Provided (CPSP) and Cost per Client Served (CCS), Superior to cumulative abnormal returns (CARs), Profit Per Employee (PPE) and Return on Fixed Assets (ROFA) (Al-Matari, Al-Swidi & BtFadzil, 2014). In theory, researchers revealed that the accounting based measurements like ROA, ROE, profit margin and others are used for the short-term performance of the firm while the market-based performance of the firm is gauged through Tobin's Q as a representation of future long-term performance. Therefore, the integration between the two provides a clear picture of the firm (Al-Matari, et al., 2014).

Tobin's Q refers to a traditional measure of expected long-run firm performance (Bozec, Dia & Bozec, 2010). A high Q ratio shows success in a way that the firm has leveraged its investment to develop the company that is valued more in terms of its market-value compared to its book-value (Kapopoulos & Lazaretou, 2007). Market-based expectations for firm performance may result in management incentive to modify their holdings on the basis of their expectations of the future performance of the firm (Sánchez-Ballesta & García-Meca, 2007). As a result, when the company's market-based performance is higher than the results of Tobin's Q, this indicates that the company has succeeded in achieving its planned high performance (Nuryanah & Islam, 2011) but if it is less than Tobin's Q, then the company needs to revise its plans to enhance its short-term performance. The negative performance leads to investor's loss (local and foreign) and hence, it is important for the company to update its objectives from time to time if it is desirous of competing in the market place (Al-Matari, et al., 2014).

3.10 Impacts of Change on Organisational Performance

It is a generally accepted view that the only thing that is ever constant is change and any organization that intends to remain relevant in its area of operations must be able to respond to change appropriately even as the world is changing in all facet. Westentolz (2013) states that change remain a necessity despite several difficulties and

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challenges. It is the only way for an organization to consistently adapt to the new trend, react to competition and the need of the customers. This does not mean that change will smoothly go through as there is bound to be resistance. March (2002) suggest that when change is intended in an organization, the effect is that there will be forces acting to facilitate the change and forces acting to resist the change. Udeh and Igwe (2013) state that while change can cause confusion and fear, there are several positive effects it can have on the organization if handled properly.The positive effect or impact of the change will only reflect by constantlymonitoring the progress in developing a change management model or policies within the organisation.The positive impact of change on organization performance includes employee confidence, organisational growth, competitive advantage, dynamism etc. When change is implemented successfully without any negativity on the employee, it boosted their confidence and creates a smooth change process with the organization in the future. The result is that appropriate action and decision will be taken and this will ultimately translate to increase organization performance.

Furthermore, positive organisational change results in organisation growth. You cannot continue to think the same way and expect growth. There isan accommodation of new technology innovation, acquisition of new infrastructure,new marketing/sales concepts etc. These will produce expected organizational growth. Again, the capacity for an organization to effect change assist in maintaininga competitive advantage in the marketplace. To remains dynamic and forceful, the organization must as matter of urgency embraces a corporate culture that will make the organization remain relevant in the marketplace.An organization culture that embraces change tends to remain dynamic in the marketplace. As stated by Marshak (2004) a dynamic atmosphere with an openness to change is a productive and forward-thinking workplace. The negative impact of change if not well articulated and implemented can lead toemployee's resistance,increase cost, lack of support and failure and low employee morale.

Productivity is a measure of performance. Organisational performance is measured among several others including customer satisfaction, employee satisfaction, operational efficiency, cost effectiveness, productivity, service quality, market share, and profitability (Poister 2003). According to Schein (2002) for change to occur, survival anxiety has to outweigh the learning anxiety; it's best to reduce the learning anxiety by ensuring that there's an environment conducive to learning through a creation of psychological safety of workers while simultaneously pushing for greater workforce productivity. However, most companies prefer to increase survival anxiety because that's the easier way to go. And this is where organisations have it absolutely wrong (Green, 2007).

IV. THEORIES AND MODELS OF CHANGE

Theories and models of change encompass the assumptions and beliefs which when combined together in a systematic manner, result in bringing about change in an organisation (Tichy 1999). Thus, it can be said that the models of change lay the framework for formulation and implementation of strategies. Many theories of change management exist and a great array of change management theories can be used to guide the very process of change. Whilst some theories act as a diagnostic tool, others offer a more prescriptive approach to change which draws on guidelines and steps to be taken. Many of the challenges being faced by organisations differ greatly to the times of stability experienced some 20/30 years ago. In particular, one such dominant change relates to technological change and the power of the Internet.

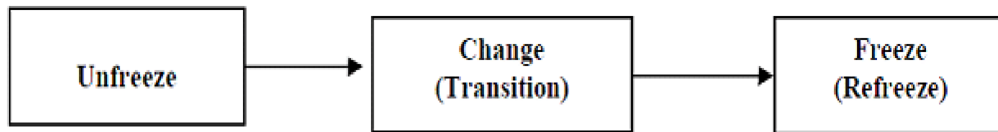
There are so many change management models. What this implies is that no single model is universally valid. Their applicability depends on the contexts, contexts being 'what is changed', 'how it is changed' and 'who is doing the change'. Most of the models have many similarities with each other, with some variations; about three models will be examined to establish what those similarities are.

Kurt Lewin's Theory of Change Management

Kurt Lewin's Three Stages model or the Planned Approach to Organizational is one of the cornerstone models which is relevant in the present scenario even. Kurt Lewin's three phase theory of change management was based on his research on group dynamics and changing group life. He was concerned with the actual process of change or the lack of it, and resistance to change. He also postulates that social habits create a 'force field' that pulls everyone back to previous habits, after conditions forcing change has passed (Lewin, 1947). Lewin's model involves three (3) steps: The first one isUnfreeze which entails dissolving the status quo by establishing a need for change. The second isChange or Move. This step borders on installing the changes and dealing with the ensuing confusion. The third and last step isFreeze which stabilizes the new mindset as normal. Lewin

recognized the significance of change resistance in socio-technical systems, and formulated his model on how to circumvent that problem.

For explaining the process of organizational change, he used the analogy of how an ice block changes its shape to transform into a cone of ice through the process of unfreezing.



Source: www.strategies-for-managing-change.com

Kotter's Eight-Stage Process

In his 1996 book Leading Change, John Kotter outlined an eight-step model on change leadership. In his view, the most important lesson was that even though these Lewin's steps – Unfreeze, Change and Freeze can take a considerable time, skipping them will usually lead to a failure on implementing change(Kotter, 2007). Kotter's came up with an eight-step model which includes firstly establishing a sense of urgency. There is need to communicate evidence that change is necessary; Create the guiding team by assembling a team with enough power to lead the change; Develop a vision and strategy to direct the change; Communicate the change vision and teach new behaviours by example; Empower employees for broad-based action by getting rid of or change systems or structures that undermine the vision; Generate short-term wins by creating visible results; Consolidate gains and produce more change and lastlyanchoring new approaches in the culture. This shows the connection between change and organizational success. Like Lewin's model, this is a linear top-down method of creating change where people are directed to a new state without much true participation.

ADKAR Change Management Model

ADKAR change management model was developed by Jeff Hiatt of Prosci in 1998 (Hiatt, 2016). ADKAR model focuses on individual change and on how to create conditions for individuals to adopt new behaviours. It presumes that change usually happens first on individual level, and from there comes the successful organizational outcomes. The model itself revolves around five outcomes that individual must achieve for change to be successful, while at the same time taking business side of change into account. (Hiatt, 2016). People side of ADKAR model comes in steps also.Step 1 is Awareness. Creating awareness on why change is needed by communication. Step 2 is Desire. Stir up the desire for change by managing resistance and having sponsors for change. Step 3 is Knowledge on how to change by training. Step 4 is Ability which is the skills required to implement the change by training. Step 5 is Reinforcement which entails approaches to make change stickthat can be achieved through communicatingthe success emanating from the change.

The business side of ADKAR model in steps as follows: Step 1 is the business need by identifying opportunities. Step 2 is Concept and design. Step 3 is Implementation of the solutions from the design. Step 4 involves Post-implementation feedback and corrective actions. By understanding the needs of an individual, correct support can be directed to ameliorate the changing situation. This model notes the need for some iteration, in contrast to previous models.

Anderson & Anderson's Change Model

Anderson & Anderson's model of change provides a comprehensive coverage of the entire process of change and equally explains the whole process of change as a cyclical process (Anderson and Anderson, 2001). This model briefly views change from three perspectives – Content, People and Process. Content analyzes the technical as well as the organizational factors which require change; People analyzes the subjective factors such as the mindset, changes in the behavioural patterns of people as well as the cultural changes while Process is the stage that is related with the possible action plans or strategies that can be crafted and implemented for driving the change initiative successfully across the organization.

All the three processes are integrated and interdependent on each other. The model is illustrated through nine phases which arePhase 1 - Preparing to Lead the Change Initiative; Phase 2 - Defining the Organizational Vision, Commitment and strengthening the Capabilities; Phase 3 - Determine the Design Requirements by Assessing the Situation; Phase-4 - Enabling achievement of the Vision by Creating the Desired Design State; Phase 5 - Analysis of the Impact; Phase

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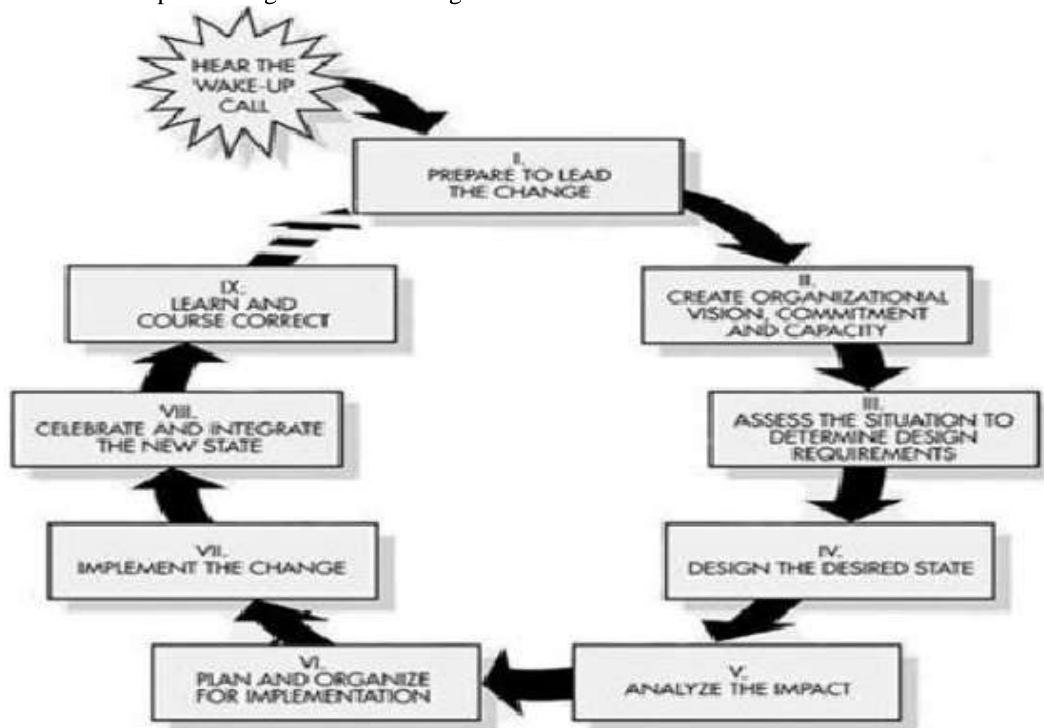
6: Masterminding the implementation plans, integrating various actions for achieving efficiencies and optimizing resource utilization; Phase 7 - Implementing the Change Plansdemonstrated in the; Phase 8 - Celebrating as well as Integrating the New StateandPhase 9 - Learning and Correct Course. The model is illustratedbelow.



Source: Adapted from Anderson and Anderson (2001, p. 15) as cited in by Prachi Juneja and Reviewed By **Management Study Guide Content Team.** https://www.managementstudyguide.com/change-management.htm

Anderson & Anderson's model of change management is a much more comprehensive model and is very useful for addressing various kinds of change in the organization. Apart from this, it equally describes the change in nine cyclical phases and gives due importance to all the strategic decisions which should be considered by the champions of change. The model provides strategic alternatives for addressing various challenges which may arise during different phases of the change.

The common theme in the different models lies in the essence of change which is about managing people in changing contexts. As such, most models seem to concentrate on communication and motivation. Processes and outcomes change, but the mental states of employees should stay constant; change should be accepted. Dissolution of status quo, making the actual change and making the change 'stick' seem to be found in each model. Viability of change management models in the regard of making the change 'stick' tends to be hard to verify.

V. THEORIES OF ORGANISATIONAL PERFORMANCE

Modern enterprises strive towards optimizing all of their available resources in order to be stay competitive and capitalize on new market opportunities. In order to stay agile, they adjust and therefore undergo changes. Best (2008) brings it to the point noting that "companies that survive and grow will be the ones that understand change and are leading, and often creating, change". Hence it is common in enterprise environments, that changes are announced by the management, with the aim to increase the performance of the enterprise.

Organisational performance encompasses three specific areas of firm outcomes. These include (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.).

VI. CONCLUSION

In conclusion, change is the only constant in business and the landscape of the 21st century is

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littered with companies that have not adapted to the changing times. Hence, organizations must and should embrace change and the approaches to change. Change has become the new constant and those organisations who desire short term financial goals without incorporating the long term views will soon find them in the brink of the value destruction and loss of brand equity.

An effective tool in change situations is to identify forces driving change and resisting change alongside their direction, nature and strength, and how they can be modified for effective organisational performance.Change has been described as an inevitable process whether at a personal level or in organization.To stay ahead of the competitors, the change management must be embedded into the leadership style.Since the onset of the industrial revolution, there have been drastic changes in business process as the management of various organizations and corporations try to remain equally competitive in the otherwise stiff market. It has seen the emergence of newer theories and management approaches which were then replaced by newer methods and strategies while in search of the ultimate solution. The systems have been known to be very opposing to changes despite the positive outcome. Individuals as well as the top management have rejected changes that they termed as not in their favour or against their beliefs. This has resulted to a new genre of management that deals with specially managing the change and the change process.

Due to the uncertainties involved in the process of change and its widespread impact, organisations must adopt an integrated approach in any change program which should include the structural, behavioural and technological approaches for implementing change across the organisation (Harvey and Brown 1996). By improving the readiness for change, organizations can strengthen their adaptability mechanisms and build their internal competencies for facing future uncertainties or many such multiple change auguring situations.

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