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Relationship Between Change Readiness and organizational Performance of Selected organization in Nigeria

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Abstract

The study investigated the relationship between change readiness and organizational performance in Nigeria. A descriptive survey using a multi-stage sampling techniques was used to collect a sample of 150 respondents that represent the sample. To achieve the objectives of the study, change readiness was captured by five measures namely managerial style, work environment, employee welfare, technological innovation, and employee involvement in change process. On the other hand, organizational performance was captured by five measures namely profit maximization, wealth maximization, customer expansion, solvency, and corporate social responsibility. The finding revealed a significant relationship between organizational effectiveness (managerial style; work environment; employee motivation; technological innovation and employee involvement in change process. The study submitted that readiness of change is instrumental to promoting the effectiveness of organizational performance.

1. Introduction

Change is one factor that is constant but appears one of the most difficult things for humanity to embrace when it happens. Just as individuals must prepare to embrace change when they occur, organization must put measures in place that will assist the organization to adapt to changes when they occur. Change can be intentional and coordinated by the management of an organization and can also emanate beyond the jurisdiction of an organization. The change affects the methods an organization adopts to accomplish its objectives, the pattern for enforcing those methods, and the responsibilities carried out by employees in the organization. Organization cannot survive let alone thrive without change.

Ifegwu (2016) noted that organizational change can arise because of many reasons such as competition, demands for new products, and technological advancement. These reasons which are external in nature results in increased effectiveness, improved quality of service delivery, and invention of new products that could drive sales. A properly planned and implemented organizational change produces positive results such as improved competitiveness, improved corporate performance, improved satisfaction of employees and customers. The benefits surrounding organizational change is not automatic as it takes some time for a firm to enjoy the benefits. The period of change comes with risk and uncertainty. According to Wilson and Swoden (2007), the benefits of organization may not cut across every stakeholder. It is possible for some people to experience loss especially if the change is associated with retrenchment and realignment. Nevertheless, the essence of change is to consolidate an organization and prepare them for the future. Whenever there is a need to implement change, employees ought to be fully incorporated in the process. The way and manner change are communicated to employees greatly determine the efficacy of such change. When employees are consulted about the rationale and possible benefits of change, the resistance to such process of change will drop and consequently accelerate the performance of employees and organization in its entirety.

Unarguably, change is an inevitable and constant phenomenon that every manager must pay attention to and handled constructively for their organization to thrive especially given the volatile nature of today's business environment. Changes in technology, information and communication system, domestic, continental and global economy, political system, and cultural beliefs have direct or indirect implications on the products and/or services of an organization. The harmonization of these elements has resulted in a volatile and risky external environment which tends to produce disastrous effects if an organization is incapable to respond to changes in these elements (Burnes, 2004; Ifegwu, 2016). Organizational change is a constant experience but the basic knowledge about the key aspects of such change is often inadequate in those attributed for its progress. For organizations to record magnificent success in their operations, there is need to have a sound framework to think about change and have a deep comprehension of the key issues that surround their readiness for change. According to Fajana (2008), organizational change should be conducted in a way that would have little financial implications for the organization, get the acceptance of employees, and must be efficient to meet the essence of introducing the process of such change. Change readiness focuses on how organizations react to the dynamics of their business environment (Ansoff & McDonnell, 2003). Change emanates from the notion that an organization needs to take maximum advantage of potential and existing opportunities in the industry. Organizations need to intensify efforts to widen their competitive advantage and attempt to improve their competitiveness. This demonstrates their change readiness and the capacity to enforce such planned change.

Majority of organizations in Nigeria are confronted with a series of problems that subject them to change (Dauda and Akingbade, 2011). The way and manner change occur in today's business environment has called for attention. The change is plausible for large organizations that face occasional change processes in the course of new product development, restructuring and growth. Despite the importance of change in organizational set-up, they are most times neglected by top management of organizations. The banking industry is the bedrock of Nigeria's service sector. The incessant extraneous change the banking industry has been witnessing creates a platform for critical thinking.

At times, employees find it difficult to embrace change probably because they are not incorporated in the process of change by top management. However, there is a great need to initiate and implement change in most Nigeria organizations for the organizations to fit into the ever-dynamic business world, meet the expectations of customers and improve their effectiveness. Thus, this study aims to examine the relationship between change readiness and organizational performance.

2. Literature Review

2.1 Conceptual Review

Russell (2010) viewed change readiness as the cognitive and emotional state that occurs when members of an organization develop positive attitudes, beliefs, and intentions towards change. When the members of an organization such as managers, stakeholders and employees reach this cognitive and emotional state, their willingness to adopt the change increases, implying a reduction in their resistance to change. In a similar vein, Metre (2009) described change readiness as the first of the three cognitive conditions people undergo as they prepare to accept a change. Metre (2009) further maintained that there are three dimensions to change namely readiness, acceptance and integration. Readiness implies having positive openness and reception towards the change. Acceptance implies having a strong belief in the change and a passion to work with the change. Integration involves a new thinking and acting pattern which is embedded in the thoughts and behaviors of organization members. Change readiness is new change management, which connotes the efficient management of a business change in which managers, employees and other stakeholders work in unity to successfully enforce the change (Korir, 2012). Burnes (2004) defined change readiness as the renewal of the structure, direction and capabilities of an organization on a continual basis with the motive of meeting the demands of internal and external customers. Change is a constant feature of organizational life at both strategic and operational levels (Olajide, 2013; Samiah, 2017). As a result of its importance, change readiness is becoming important and needs suitable management strategy and skill. Organizations must get ready for change and must develop the capacity to manage the change so as to remain active in this increasingly volatile business environment.

There is no agreement among scholars on the framework of change readiness. However, there seems to be consensus on two areas. Firstly, change emerges in different forms, sizes, and shapes largely caused by internal and/or external factors. Secondly, the way and manner change occur is rapid in this modern business environment.

2.2 Dimensions of Change Readiness

The assessment of change readiness involves the cognitive state of employees and the work environment in which the change is taking place (Russell, 2010). The dimensions of organizational readiness as outlined by Russell (2010) include:

- Organizational Support: This dimension involves issues such as clarity of organization’s vision and mission, the process of decision-making, the level of participation of employee in past changes, training and development efforts of the organization, the capacity at which management implement employees’ opinions, quality of communication channel and accountability.
- Organizational Culture: This dimension involves issues such as reception of organization to new ideas and innovations, teamwork spirit, trust between superiors and subordinates, the magnitude at which employees have participated in past change and sense of accomplishment of employees.
- Change Environment: This dimension involves the level of awareness of the forces driving change, the clarity of change, the quality of measures to assess the success of the change, past success of the organization with respect to the change, number of changes occurring at the same time, relative comparison of change benefits and costs.
- Employee Attitude: This dimension involves whether or not employees have a sense of urgency for the change, employee commitment, autonomy of employee, the feelings of opportunity to provoke change, the receptiveness of employees to change and manager’s ability to guide employees through the change.

2.3 Challenges of Change

Change involves the introduction of new systems, strategies, people or ways of working which have impact on various stakeholders in an organization. The key to have an effective change readiness lies in understanding the possible implications of such change on various stakeholders. It is pertinent to know if stakeholders will be afraid, optimistic, pessimistic or reluctant about the change and how to manage the potential reactions of stakeholders. Harem (2008) pointed out that the challenges of change are usually associated with:

- Leadership: This is indispensable to organizational success. Change cannot be successfully accomplished without the commitment and active participation of top management.
- Focus: Without focus, members of the organizations interpret the environment differently and make decisions on the opportunities to be harnessed from their individual perspectives. The consequence of lack of focus is the aggregation of diligent and committed individuals driving the organization incoherently.
- Commitment: Company resources must be committed to assisting employees to understand the change, convince them of its value, and manage the resistance that will surely surface. As management gets more committed to change, resistance to change reduces and paves way for the courage to take new directions and passionately go after the change.
- Resistance: Resistance to change is a human condition. The introduction of new systems is an arduous task. It is a natural thing for employees to fear change. Management should monitor this integration by making everyone aware of how the change will contribute to organizational progress. Resistance may be advantageous if the company identifies the possible benefits of resistance.

2.4 Change Readiness and Organizational Effectiveness

Several studies have been conducted with respect to change, change readiness and change management. Organizational effectiveness is positively associated with change readiness and change management practices (Olajide, 2013). Readiness for change contributes significantly to organizational effectiveness and further fosters the organization's managerial expertise. The competition among firms, ever-changing business environment and shorter-product life cycle forces organizations to search for measures that could be used to consolidate their competitive advantage. Change readiness has the potential to improve the reputation of a company (Ndahiro, Shukla and Oduor, 2015). In recent times, organizations have recognized the importance of change readiness. This recognition is an important dimension that influences the effectiveness of an organization (Rees, 2006). Change readiness calls for the need for strategies and plans of change readiness to develop for the aggregate organizational strategies and objectives and to be responsive to unstable demands of the outside environment (Armstrong, 2009). The implementation of change often leads to organizational tension because of moving from a known situation to an unpredictable one. In this regard, change is risky, uncertain, and complex (Rees, 2006). Change produces effectual results in an organization with a participatory leadership style such as giving employees training about the change to make them skilled and knowledgeable about the change process. Change must be made to the processes and structures of the organization to improve its effectiveness.

Olajide (2013) examines change management and its effect on organizational performance of Nigerian telecom industry – a case study of Airtel Nigeria. The study sampled 300 consisting of managers, supervisors, operating staff, and customers. The findings of the study revealed that technology change significantly enhances organizational performance. The results also showed that change in customers' preferences has a strong impact on organizational performance and lastly, change in management contributes robustly to employee performance. Igwe, Udeh, and Nwokedi (2014) investigated the impact of change management and the commitment of top management on the performance of selected manufacturing organizations in the south-eastern part of Nigeria. The study sampled 267 management and middle-level staff of 205 manufacturing firms in the region. The results revealed that change management improves the performance of selected organizations. In addition, a positive and significant relationship was found between the commitment of top and middle-level management staff and the implementation of change in selected organizations. Matthew, Sulphey and Rajasekar (2014) assessed the readiness and resistance to change of employees of state public sector organizations and compared the readiness between executives and employees of state public sector organizations and central public sector organizations in India. The study also compared the employees of public sector organizations in India making profits and losses. Readiness to change was captured by egalitarian leadership, collaborative working environment, top management commitment, change in management systems, and use of information technology. The results showed that employees in-state public sector organizations are less resistant to change and more receptive to change. The executives of state public sector organizations are more willing to change than employees. Employees of state public sector organizations have more readiness to change than their counterparts in central public sector organizations. In addition, employees of central public sector organizations that are making losses are more willing to change and less resistant to change than their counterparts' making profits.

Omar, Nagresh, and Jadellah (2013) examined the impact of change management on the employees of university libraries in Jordan. The study investigated the impact of change in organizational structure, technology, and individuals on employee performance. The study sampled 220 librarians in five universities in Jordan. The results showed that change in organizational structure, technology, and individuals has 58.9%, 64.8% and 71.1% correlation with employee performance Alfonus (2012) examined organizational readiness for change – a case study of change readiness in a manufacturing company in Indonesia. The study discussed the aspects of organizational readiness for change namely perception towards change efforts, vision for change, mutual trust and respect, change initiatives, management support, acceptance and management of change process. The result showed that acceptance to change has the highest mean rating, followed by change initiatives, change management, management support for change, perception towards change effort, mutual trust and respect, and understanding the vision for change. In addition, it was found that the company's readiness index towards change was 3.00 out of a possible 4.00. This indicates that the organization level of readiness for change is high.

Wanza and Nkuraru (2016) assessed the influence of change management on employee performance in University of Eldoret, Kenya. The study sampled 121 academic and non-academic staff of the university. The results showed that change management represented by technological change, organizational leadership, structure, and culture influenced employee performance positively Dauda and Akingbade (2011) examined how employee relations could be adopted for technological change management. The study sampled 1,256 employees of 30 selected manufacturing companies in beverages, textile, steel, cement and clinical industries. Findings of the study revealed that employee relations have a weak relationship with technological change/

Ndahiro, Shukla, and Oduor (2015) examined the effect of change management on the performance of government institutions in Rwanda – a case study of Rwandan Revenue Authority (RRA). The study employed the survey design approach and comprised of 100 staff of the agency. The results showed that employees of RRA get affected by a change in terms of development of skill, pay increase, promotion, easiness of job and improved productivity. The findings further revealed that change affects the performance of RRA in terms of increased tax revenue and effective and efficient performance. The results showed that 68% of respondents opined that the change recorded so far in RRA have been very good. In addition, it was found that change is resisted in RRA mainly because employees are not involved in change process.

3. Methodology

The study adopted descriptive survey research design where data were collected from 150 senior employees of three leading Banks in Nigeria – Zenith, Access, and Guarantee Trust Bank. The study employed multi-stage sampling design. First, banking industry was first randomly selected of the six listed industry that can be sampled. Afterward, random judgmental sampling techniques was employed to sample only employees from the three top banks in Nigeria by market capitalization. Tonuchi et al (2021) has argued that judgmental sampling is best when a researcher use his personal judgement to select the right target audience. A sample of 50 employees were randomly selected from each of the banks making a total sample of 150 employee. Structured questionnaire using google form to collect the data where the scale or items used to measure change readiness were adopted from previous works in literature. Specifically, the study adapted the change readiness factors scale used by Abvoland, Albadvi and Ferdowsi (2008) and Matthew, Suplhey and Rajasekar (2014) in their studies. A five-point Likert Scale spanning from 1(strongly disagree) to 5(strongly agree) questionnaire was developed to collect relevant data. The descriptive statistics and Pearson product moment of correlation (PPMC) were used to analyze the data as used by previous studies which adopted Likert scale (Ridwan and Joseph, 2021).

4. Results and Discussion

The data revealed among others that 52.9 percent of the sampled respondents were male while the remaining 47.1 percent are females. There is no significant difference between the number of males that participated in the survey to that of the female given the difference in their percentage which is less than 10. Male employees of selected banks participated more than their female counterparts in the survey. Majority of respondents, which constituted 76.1%, hold either HND or B.Sc. Based on staff category, core staff have the highest frequency, followed by contract staff, and then management staff. With reference to length of service, 58.7% of respondents, which is the majority, have 8-15 years' experience in the banking sector.

Table 1: Personal Profile of Respondents

	Frequency	**Percentage**
Gender		
Male	73	52.9%
Female	65	47.1%
Educational Level		
OND/NCE	4	2.9%
HND/B.Sc	105	76.1%
Postgraduate	29	21.0%
Staff Category		
Contract staff	10	0.07%
Core staff	71	51.4%
Management staff	47	31.3%
Length of service		
Below 8 years	40	29.0%

8-15 years	81	58.7%
Above 15 years	17	12.3%

Table 2 Respondents' Opinions on

	Managerial Style	**Mean**	**Standard Deviation**	**Remark**
1.	Management and employees have common vision and objectives.	4.11	0.71	Agreed
2.	There is open communication between management and employees.	4.09	0.66	Agreed
3.	Management repose confidence and trust in employees.	4.21	0.68	Agreed
4.	Management sometimes accepts the opinions and contributions of employees.	4.14	0.81	Agreed
5.	Management adopts democratic and participatory style of leadership.	3.88	0.88	Agreed
	Work Environment			
6	There is cordial relationship between management and employees.	4.13	0.74	Agreed
7	There is oneness among employees.	4.21	0.66	Agreed
8	The work environment is collaborative.	4.17	0.74	Agreed
9	Employees feel recognized and cherished in the organization.	3.91	0.65	Agreed
	Employee Welfare			
10	The reward system of the organization is satisfactory.	4.12	0.68	Agreed
11	Employee performance is periodically appraised and evaluated.	4.15	0.66	Agreed
12	Employees are adequately empowered by management.	4.31	0.67	Agreed
13	Training and development programmes are organized regularly.	4.01	0.88	Agreed
	Technological Innovation			
14	Modern technological innovations are usually adopted and applied in organizational processes.	4.36	0.64	Agreed
15	Management has invested enormously in acquisition of modern technologies.	4.26	0.64	Agreed
16	Technological innovation has improved the quality of service delivery of the organization.	4.43	0.58	Agreed

The data revealed that majority of the respondents believes that organizational readiness to change in the form of managerial style (Management and employees have common vision and objectives), work environment (There is cordial relationship between management and employees.), employee welfare (Employee performance is periodically appraised and evaluated), and technology innovation (management has invested enormously in acquisition of modern technologies) all impact the organization performance in the forms of profitability, sales volume among others.

Table 3: Correlation test

		Corr./ Organization performance
1.	Managerial style	0.68
2.	Work environment	0.41
3.	Employee welfare.	0.62
4.	Technology innovation.	0.56

**. Correlation is significant at the 0.01 level (2-tailed).

This was further confirmed by the correlation coefficient. As seen it was discovered that there is strong positive correlation between managerial style, work environment, employee welfare, technology innovation and organization performance. For instance, it was revealed that managerial style has about 0.68 correlation with organization performance while technology innovation has 0.56 correlation with organization performance.

5. Conclusion

The study revealed that change readiness improves organization performance. In particular, it was revealed that managerial style, work environment, employee welfare, and technology innovation are the leading indicators of organization readiness for change. As revealed change readiness from the four measures have positive correlation with organization performance and have strong correlation. The finding is consistent with earlier researchers like that of Olajide (2013) and Igwe, Udeh and Nwokedi (2014). Again, the study revealed that one of the reason organizations embraces change is to have improve their performance and satisfy the interests of shareholders and stakeholders. Again, for organization to remain active in the present competitive and dynamic business environment there is need to get ready for change, embrace change, enforce change, and adapt to change. The study concludes that readiness of change is instrumental to promoting the organizational effectiveness of Nigeria industries.

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