An Evaluation of Organizational Change on Employees'Productivity

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Abstract
Today's business environment requires companies to undergo changes almost constantly if they are to remain competitive. Factors such as globalization of markets and rapidly evolving technology force businesses to respond change in order to survive. The objective was to evaluate organizational change as it affects employees' productivity in Access Bank Plc. The study adopted the survey design. The population of the study was 110 employees from the three (3) branches of Access Bank Plc in Ilorin (i.e. Unity, Tanke, and Surulere branch). The population of the study is a census one. Data were collected using the questionnaire research instrument. Data collected were analyzed using frequency tables and percentage and regression analysis at an alpha level set at 0.05 (i.e. $p < 0.05$). The result of the study shows that: Employees' participation in decision making during change process significantly improved organizationsmarket share ($p = < 0.05$, $r = 0.941$); There is a significant positive relationship between effective communication and improved productivity in the banks under study ($p<0.05$, $r = 0.931$); and Application of technological innovation, significantly enhanced profitability in Nigerian banks ($p<0.05$, $r =0.826$). The study concluded that effective change management on employees' performance is achieved when employee participation in decision making constantly initiated, communication is well enhanced and technological innovations are utilized. The study recommended that Access Bank Plc should involve employees in decision making during change processes; ensure effective communication processes; and adopt technological innovations in order enhance profitability.

Keywords: Business environment; Employees; Organisational change; Productivity.

Introduction

Nowadays, business environment produces change in the workplace more suddenly and frequently than ever before. Mergers, acquisitions, new technology, restructuring, downsizing and economic meltdown are all factors that contribute to a growing climate of uncertainty. The ability to adapt to changing work condition is the key to individual and organizational survival. Change will be ever present and learning to manage and lead change includes not only understanding human factors, but also skill to manage and lead change effectively (Pettigrew & Whipp, 1991). Change is inevitable. It is the only element of human phenomenal that is constant. Organizational change occurs when a company makes a transition from its current state to some desired future state. Managing organizational change is the process of planning and implementing change in organizations in such a way as to minimize employee resistance and cost to the organization, while also maximizing the effectiveness of the change effort. Change is both inevitable and desirable for any progressive organization (Fajana, 2002).

Today's business environment requires companies to undergo changes almost constantly if they are to remain competitive. Factors such as globalization of markets and rapidly evolving technology force businesses to respond in order to survive. Such changes may be relatively minor as in the case of installing a new software program or quite major as in the case of refocusing an overall marketing strategy.

Traditional organizational structures and approaches can no longer produce the competitive basis that is required in today's volatile business environment. Constant change in government policy, introduction of new technologies, climatic conditions, market forces, change in consumers' needs and wants, and bureaucratic bottlenecks are reasoning some organization within the banking sector find it difficult to fit in. Most organizations don't take cognizance of the human element in creating the strategy needed to implement change, and this leads to constant failure in the change programme. Resistance by employees and certain management level staff is another problem organization encounter in a bid to introduce change. The role of customers has changed; therefore, organizations have to be much more agile and flexible to quickly respond to customer's wishes and fast changing market needs.

However, for change to produce its desired effect it must be accepted and embraced by the organizational employees, but this is not often the case. Most changes results in employee resistance of change in the organization thereby resulting in poor morale and productivity.
Therefore, this study seeks to evaluate organizational change on employees' productivity with a case appraisal of access bank plc.

Literature Review

Conceptual Clarifications

The term "change" in organization or 'organizational change' as others call it, implies the creation of imbalances in the existing pattern of situation asserts (Jones, 2004). When an organization operates and functions for a long time, an adjustment between its technical, human and structural set-up is established. It tends to approximate the equilibrium in relation to its environment. In other words, organization members evolve a tentative set of relations with the environment. They have an adjustment with their job, working conditions, friends and colleagues etc. Change requires individuals to make adjustments. Hence the fear of adjustment gives rise to the problem of change and resistance to change. On the other hand, groups resist change where their existence is in danger or a total change in overall work environment is contemplated.

Types of Change

There are various areas within the organizational domain where changes can be brought about for operational enhancement of the organization as well as desirable behavior of members. Beer (1980; 2000) states that the various types of changes that can have considerable impact on the organizational culture are:

a. Strategic Change: This is a change in the very mission of the organization. A single mission may have to be changed to multiple missions. For example, when British Airways acquired a major part of United States Air, the culture of the entire organization had to be modified to accommodate various aspects of American organizational culture into the British organizational culture. Also, the mergers and acquisitions taking place in the Banking industry alter in most cases the existing mission and vision as well as goals of the institution.

b. Structural Change: Decentralized operations and participative management style have seen more recent trends in the organizational structure. Since these structural changes shift the authority and responsibility to generally lower level management, it has a major impact on an organization's social climate and members have to be prepared to develop a team spirit as well as acquire skills to make on-the-spot decisions at points of operations.

c. Process-oriented Change: These changes relate to technological developments, information processing, automation and use of robotics in the manufacturing operations. This means replacing or retraining personnel, heavy capital equipment investment and operational changes. This would affect the organizational culture and hence changes in the behavior patterns of members.

d. People-oriented Change: Even though, any organizational change affects people in some form, it is important that the behavior and attitudes of the members be predictable and in accordance with the expectations of the organization and be consistent with the mission and policies of the enterprise. These changes are directed towards performance improvement, group cohesion (teamwork), dedication and loyalty to the organization as well as developing a sense of self-actualization among the members. These can be developed by closer interaction with employees and by special behavioral training and modification sessions.

e. Incremental Change: This is an evolutionary approach to change in which existing organizational conditions are fine-tuned and small steps are taken towards the change effort objectives. Continuous improvement usually applies incremental change, because they have time to adapt to the new conditions. However, incremental change may be inadequate where companies face extreme environmental turbulence. Instead companies may require quantum change.

f. Quantum change: Quantum change could be required where companies face extreme environmental turbulence in which they create totally different configuration of systems and structures. Reengineering, corporate restructuring, etc. are forms of quantum change. Quantum change are sometimes necessary, they also present risks such as costly task of altering organizational system and structures; getting employees to learn completely different roles.

Resistance to Change

Resistance to change is understood to be a natural phenomenon. Individuals go through a reaction process when they are personally confronted with major organizational change (Jacobs, 1995; Kyle, 1993). But not all change is resisted. In fact, if we look at any organization closely, we would probably find that more changes are accepted than resisted. It is noteworthy to state that (Mullins, 2010) resistance to change takes place at both the individual and the organizational level. Accepting the fact that people have a natural instinct to adapt to their environment is the first step towards effective management of change. It has the advantage of placing people in a more positive light, but also suggests that resistance to change is unnatural behaviour. If managers accept this principle, then they can proceed to analyze the situation to find the (unnatural) cause of resistance. Failure to understand this characteristic of resistance can cause many managers to attempt to run through changes rather than try to understand the sources of the resistance.

Sources of resistance to change may be rational or emotional (Bateman and Snell, 2003).

Rational resistance occurs when people do not have the proper knowledge or information to evaluate the change. Providing information (in the form of data, facts, or other types of concrete information) reduces the resistance.

Emotional resistance involves the psychological problems of fear, anxiety, suspicion, insecurity, and the like. These feelings are evoked because of people's perception of how the change will affect them.

Organizational Performance

Organizational performance simply means the rate at which the organization is growing considering certain indexes or the rate at which it is meeting up to set targets. Organizational performance actually comprises the actual output or result of an organization as against its intended output (goals and objectives) (Upadhaya, Munir, & Blout, 2014).

According to Richard and Moss (2009), organizational performance encompasses three specific areas of firm outcome (a) financial performance (profit, return on assets, return on investment etc.); (b) product market performance (sales, market shares, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). Specialists are concerned with organizational performance including strategic planners, operations, finances, legal and organizational development. In recent years many organizations have attempted to manage organizational performance using the balance scorecard methodology where performance is tracked and measured in multiple dimensions such as:

i. Financial performance (e.g. shareholders return)
ii. Customer service
iii. Social responsibility (e.g. corporate citizenship, community outreach)
iv. Employee satisfaction, stewardship, and commitment
v. Productivity
vi. Performance measurement system
vii. Performance improvement
viii. Service quality (Poister, 2011)

To determine how well an organization is meeting its set targets, performance must be measured, hence the need for performance measurement. Performance measurement is the process of collecting, analyzing or/and reporting information regarding the performance of an individual, group, organizations, system or component. It can involve studying processes/ strategies within organizations or studying engineering processes/parameters/phenomena to see whether output is in line with what is intended or should have been achieved (Moullin, 2002). Good performance is the criterion whereby an organization determines its capability to prevail.

Performance measurement estimates the parameters under which programs, investments and acquisitions are reaching the targeted results (Upadhaya et al., 2014). All process of measuring performance requires the use of statistical modelling to determine results. A full scope copy of the performance of an organization can never be obtained as generally some of the parameters cannot be measured directly but must be estimated through indirect observation and as a complete set of record never delivers an assessment without compression of key figures (Office of the Chief Information Officer, U.S Department of treasury, 2007).

Several performance measurement systems are in use today and each has its own group of supporters, for example, the balance scorecard (Kaplan & Norton, 1993, 1996, 2001). It was originally meant for the private sector, "to overcome deficiencies in the financial accounting model". Although the balance scorecard has become very popular, there is no single version of the model that has been universally accepted. The diversity and unique requirement of the different organization suggest that no one-size-fit-all approach will ever do the job (Gamble, Strickland &Thompson, 2007); hence there is need for management of organizations to constantly get their employees satisfied so as to get the best of their service, increase productivity and help the organization achieve its desired level of performance. As stated earlier in the first chapter, we would be discussing two of the variables of organizational performance; Productivity and Employee satisfaction, as it relates to their commitment to the organization.

Theoretical Review

Theories and Models of Organizational Change

A. Harold Leavitt Theory

One of the most well-known analytical models belongs to Leavitt. This American author believes that organizations are multivariate systems with at least 4 important variables: goal, structure, players and technology.

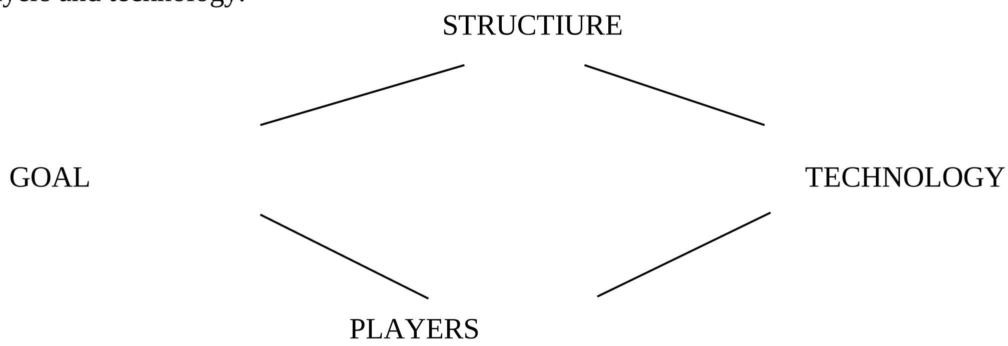

Figure 1: Organizational Model

Source: Dodu, and Tripon (2000), Change management and organization development, Sweden, Cluj University Press

By structure, Leavitt meant structures of authority, responsibility, communication and work relations; the players were represented by the employees of the organization; technology was believed to be a total of instruments and techniques used in the attempt to reach the organization's goals; as for the goal, it was considered "la raison dêtre" of the organization, the rationale that supports its existence and functioning. These variables represented the marks for change to set in, thus resulting in 4 types of changes. At the core of this model is the strong interdependence between these variables, which means if one modified, the others would also modify as an effect. This fact has two consequences:

1. One variable can be deliberately modified in order to cause desirable changes in the other variables
2. The change of one variable may lead to unexpected and unwanted changes in the other variables.

The influence of the systematic paradigm is quite obvious here.

Empirical Review

Doreen (2015) conducted a research on the effect of change management on the employees' performance in co-operative bank of Kenya Limited, adopted a survey research design by focusing on qualitative method of data analysis which allows detail analysis of data collected. The study then concluded that the turn-around of activities brought about by technological change were successful, and also that there were technological challenges that relates to electricity disruptions and system failure which can cause interruption in service delivery of the bank.

Olajide (2014) in his work titled 'effect of change management on organizational performance of Nigerian Telecoms industry: empirical insight from Airtel Nigeria'. The study was carried out in Lagos, Nigeria using descriptive survey. The study target population was one thousand employees of Airtel Nigeria where a sample size of three hundred workers comprising middle level managers, supervisors, operating staff and customers. Questionnaire was adopted to collect data which were validated through a pilot study. The study concluded that change has now become a regular feature of business life as part of the desires for increased organizational performance and the ever important needs to satisfy stakeholders.

Stephen, (2015) in his work, on the effect of change on the performance of Government institutions in Rwanda, adopted survey research design and the target population was employees of Rwanda Revenue Authority. Data was collected using questionnaires and interviews and analyzed using SPSS and Microsoft Excel. Based on the data collected, the study concluded that all changes made in the institution in the past four years have been well planned and implemented. Most of the employees have generally embraced the changes made in the organization and at the same time resulting into overall organizational performance.

Wanza (2011), in a research titled 'Influence of change on employee performance' that was carried out in Kenya using a survey research design where the researcher adopted questionnaire and interview as data collection instruments. Data analysis was done using descriptive statistics that involved the use of frequency and percentages. The study found that change management factors such as leadership, structure and technology influenced performance at all echelons in the firm. It also revealed that structural changes are most effective when directive comes from a clear line of authority. Wilfred (2016), in his work titled 'Change management practices and performance of selected local government in Eastern Uganda'. The study adopted a research design which involved the use of both qualitative and quantitative data to help answer research questions.

Methodology

The design used in this research is exploratory survey design. The population of this study comprised of 110 employees of Access Bank Plc Nigeria Plc. The selection of the banks staff was limited to their branches in Ilorin, Kwara State, Nigeria (i.e. Unity Branch, Tanke Branch & Surulere Branch). Since the population of the of the study area is not large, the researcher, therefore, use the entire population (census study). The employees were contacted to collect data through personal-administrated questionnaires in their offices. However, 102 usable questionnaires out of the 110 copies of questionnaires administered were duly filled and returned.

This brings the response rate to 92.72%. Data collected were analysed using Ordinary Least Regression analysis with the aid of statistical package for social sciences (SPSS) software.
A 5-point Likert scale was adopted with answers ranging from 5 points strongly agreed to 1 point strongly disagreed to elicit response from the target respondents.

Model Specification
For Hypothesis one (H_{01}) which states that; "Effective Employee Participation in Decision Making during Organizational Change Process does not Improve Organization's Market Share, it is represented as;
$Ms = \alpha + \beta (EP) + \varepsilon$ …………………………………………………………… (1)

Where:

Ms = Market Share

EP = Employee Participation in Decision Making

a = Constant of the equation

β = Coefficient of the independent variable (gradient)

ε = Error term

Hypothesis two (H_{02}) which states that; "There is no Significant Relationship Between Effective Communication and Improved Productivity in the Access Bank plc", is represented as;
$IP = \alpha + \beta (EC) + \varepsilon$ …………………………………………………………… (2)

Where:

IP = Improved Productivity

EC = Effective Communication

α = Constant of the equation

β = Coefficient of the independent variable

ε = Error term

Hypothesis three (H_{03}) which states that; "Application of Technological Change Variables does not Enhance Profitability in Access Bank plc," is represented as;
$P = \alpha + \beta (Ti) + \varepsilon$ …………………………………………………………… (3)

Where:

P = Profitability

Ti = Technological Innovation

α = Constant of the equation

β = Coefficient of the independent variable

ε = Error term

Test of Hypotheses

The results for the test of the various study hypotheses are presented in this section.

Data Presentation and Discussion

Test of Hypothesis One

Employees' participation in decision making during change process does not improves organization's market share

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.941[a]	.885	.884	.35395

a. Predictors: (Constant), Service Quality

Source: SPSS Output, 2019

The result in Table 1 above shows that R Square (r^2) which is the coefficient of determination is approximately 0.885. This implies that 88.5% of market share (dependent variable) is affected by employees' participation in decision making (independent variable) while the remaining 11.5% of market share may be affected and determined by other unexplained factors. Thus, with a positive coefficient of determination of 88.5%, it can be said that the relationship between employees' participation in decision making and organization's market share is very strong.

Table 2: ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	99.914	1	99.914	797.526	.000[a]
	Residual	13.029	104	.125		
	Total	112.943	105			

a. Predictors: (Constant), Employee participation in decision making

b. Dependent Variable: Improved Market Share

Source: SPSS Output, 2019

Table 2 shows the effect of employees' participation in decision making during change process as it improves organization's market share. The F-ratio for degree of freedom (Df) (1, 105) is 3.94 from the F-distribution table. Since 797.56 (F-calculated) is greater than 3.94 (F-tabulated), we reject the null hypothesis and accept alternative hypothesis. However, we resolve that employees' participation in decision making during change process has a significant impact on improve organization's market share. Also, since the ANOVA significance of .000 is less than the alpha level of 0.05, thus the overall model is fit and the null hypothesis is rejected. Also, the residual sum of square of 112.943 is greater than the regression sum of square of 99.914. This implies that the independent variable accounted for the variation in the dependent variable.

Table 3: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.498	.157		-3.171	.002
	Employee participation in decision making	1.100	.039	.941	28.241	.000

a. Dependent Variable: Improved Market Share

Source: SPSS Output, 2019

The coefficients of independent variable in table 3 above indicated that employee participation in decision making (1.100) has a greater effect on organizations' market share. In addition, the {probability} and t-statistics value of {.000} and 28.241 further suggested that the relationship between employee participation in decision making and organizations' market share is significant since alpha level of 0.05 is greater than the p-value of 0.000. It therefore means that the null hypothesis is rejected and alternative hypothesis is accepted.

Test of Hypothesis Two

There is no significant Relationship between effective communication and improved productivity

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.931[a]	.867	.865	.33758

a. Predictors: (Constant), Communication

Source: SPSS Output, 2019

Table 4 above shows that R Square (r^2) which is the coefficient of determination which gives 0.867. This implies that 86.7% of improved productivity (dependent variable) is affected by communication (independent variable) while the remaining 13.3% may be affected and determined by other unexplained factors. Thus, it can be said that effective communication has a significant effect on improved productivity.

Table 5: ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	77.025	1	77.025	675.886	.000[a]
	Residual	11.852	104	.114		
	Total	88.877	105			

a. Predictor: (Constant) Communication

b. Dependent Variable: Improved Productivity

Source: SPSS Output, 2019

Table 5 shows the relationship between effective communication and improved productivity. The F-ratio for degree of freedom (Df) (1, 105) is 3.94 from the F-distribution table. Since 675.887 (F-calculated) is greater than 3.94 (F-tabulated), we reject the null hypothesis and accept alternative hypothesis. However, we resolve that there is a significant relationship between effective communication and improved productivity. Also, since the ANOVA significance of .000 is less than the alpha level of 0.05, thus the overall model is fit and the null hypothesis is rejected. Also, the residual sum of square of 88.877 is greater than the regression sum of square of 77.025. This implies that the independent variable accounted for the variation in the dependent variable.

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-.143	.168		-.851	.397
	Communication	1.009	.039	.931	25.998	.000

a. Dependent Variable: Improved Productivity

Source: SPSS Output, 2019

The coefficients of independent variable as shown in table 6 above indicated that effective communication (1.009) has a greater effect on improved productivity. In addition, the {probability} and t-statistics value of (.000) and 25.998 further suggested that the relationship between effective communication and improved productivity is significant since alpha level of 0.05 is greater than the p-value of 0.000. Based on this, the results indicate that there is significant positive relationship between effective communication and improved productivity in the bank under study.

Test of Hypothesis Three

Technological innovation does not enhance profitability

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.826[a]	.682	.679	.47998

a. Predictors: (Constant), Technological Innovation

Source: SPSS Output, 2019

Table 7 shows that R Square (r^2) which is the coefficient of determination which gives approximately 0.682. This implies that 68.2% of organizational profitability (dependent variable) is affected by technological innovation (independent variable) while the remaining 31.8% may be affected and determined by other unexplained factors. However, it is enough to say that technological innovation enhances profitability.

Table 8: ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	51.484	1	51.484	223.473	.000[a]
	Residual	23.960	104	.230		
	Total	75.443	105			

a. Predictors: (Constant), Technological Innovation

b. Dependent Variable: Profitability

Source: SPSS Output, 2019

Table 8 shows the relationship between technological innovation and profitability. The F-ratio for degree of freedom (Df) (1, 105) is 3.94 from the F-distribution table. Since 223.473 (F-calculated) is greater than 3.94 (F-tabulated), we reject the null hypothesis and accept alternative hypothesis. However, we resolve that there is a significant relationship between technological innovation and profitability. Also, since the ANOVA significance of .000 is less than the alpha level of 0.05, thus the overall model is fit and the null hypothesis is rejected. Also, the residual sum of square of 75.443 is greater than the regression sum of square of 51.484. This implies that the independent variable accounted for the variation in the dependent variable.

Table 9: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.915	.168		11.393	.000
	Technological Innovation	.642	.043	.826	14.949	.000

a. Dependent Variable: Profitability

Source: SPSS Output, 2019

The coefficients of independent variable as shown in table 9 above indicated that technological innovation (1.009) has a greater effect on profitability. In addition, the {probability} and t-statistics value of (.000) and 14.949 further suggested that the relationship between technological change and profitability is significant since alpha level of 0.05 is greater than the p-value of 0.000. Based on this, the results indicate that there is a significant positive relationship between technological innovation and profitability in the bank under study.

Conclusions

This study focused on the effect of organizational change on employees' performance in Access Bank Plc. The analysis revealed that for change to effectively enhance organizational performance there is need to utilize technological innovations. In the utilization of technological innovation, the prospects of improvement in service quality, increased profitability, improved employee motivation and commitment, with vast resources of knowledge and expertise abound. For any successful and effective change management, technological innovations cannot be overlooked. Organization that ensures employees' satisfaction, increased market share, improved productivity, improved profitability and effective management of resistance to change, have always had very a successful and effective change management processes. The role and importance of communication in ensuring improved productivity was highlighted in this study. It is not just enough to introduce change. A vital component of change management is communication be it vertical or horizontal. This is achieved when organizations involve their employees in decision making that concerns any change process.

Recommendations

Based on the findings of this study, it is recommended that:

In effectively managing change, Access Bank should always take advantage of opportunities provided by technological advancement, and adopt technological innovations that enhance profitability. In achieving profitability, these innovative adoptions should focus on improving quality of service, as well as employing motivation to gain employees commitment. Effective communication processes should be initiated, maintained and enhanced in the organization, especially during change processes. Employees should be involved in decision making during change processes so as to make a meaningful contribution and also to serve as a motivation which will lead to improved productivity.

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