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ABSTRACT

Organizations are undertaking change management practices in order to align their business strategies to match the activities of the environment for performance to be realized. This is because the present day operating environments has become quite unpredictable due to the many changes happening in the technological, cultural, political, social and competitive levels. Researchers have attempted to learn the reasons as to why some organizations in the same environment perform well while others fail. Change management practices require tools, processes, skills and principles to be effective. For an organization to sustain the momentum on normal day to-day pressures to meet customer demands, it is necessary to develop a change management plan, implement change management practices and adapt the implemented change management practices. It is necessary to align with strategy content which explains how organizations actually behave which is conceptualized first, as the broad way in which an organization seeks to maintain or improve its performance and the specific steps that an organization takes to boost its performance relative to market competition. This paper is supported by two theories, namely, Stakeholder theory which argues that change management practices influences other parties involved, including employees, customers, suppliers, competitors, communities and governmental bodies, among other stakeholders in any organizations and the resource-based view which explains organisational performance as a function of its continued ability to acquire resources from its external environment. Performance is the integration of three broad dimensions of efficiency, effectiveness and adaptability in the delivery of organizational results. It assures that an organization contributes to its mission and remains responsive to the needs of its stakeholders. The paper concludes that performance is a reflection of change management practices so as to be successful and to outdo competition. Based on the different researchers' views, the debate around the influence of change management practices, which is also conceptualized as an independent variable on performance is still unclear thus the paper intends to find out.

Key words; Change management practices, Environment, Organizational Performance

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INTRODUCTION

Johnson and Scholes (2002) define change management practices as the deliberate and coordinated actions taken to transform an organization to overcome environmental challenges in order to achieve its objectives. Hence organizations are undertaking strategic changes in order to align their business strategies to the environment thereby matching the resources and activities of an organization to that environment. To survive and grow, organizations must adapt to changes in their environment since the present day operating environments has become quite unpredictable due to the many changes happening in the technological, cultural, political, social and competitive levels.

In today's turbulent environment of organizations, change management practices have become synonymous with standard business practices as long-term organizational ends have to be reformulated on an ongoing basis (Naghibi and Baban, 2011). According to Mugo (2010), change management practices deals with the changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy. Koch (2006) point out that strategic change involves deciding what to change, how and when to change specific elements of one's strategic orientation.

This change management practices according to Green and Cameron (2009), may be driven by management fads such as culture change, business process engineering, empowerment, total quality, dramatic changes within the environment, declining organizational performance, or even both. Other change initiatives may be driven by the need for organizations to reposition themselves in the face of changing competitive conditions.

Change management can be in two approaches the planned change and emergent change. Planned change view organization change as a process of moving from one fixed state to another through a series of preplanned steps. This type of approach consists of the following models; Lewin three step model (Lewin, 1947), Kotter eight step model (Kotter, 1996), Action research Lewin (1946), Bullock and Batten (1985) and Ten Commandments (Kanter, 1992)

Lewin (1946) described action research as a comparative research on the conditions and effects of various forms of social action and research leading to social action that uses a spiral of steps, each of which is composed of a circle of planning, action and fact-finding about the result of the action. This model focuses on the action to be taken or more on the research that results from the reflective understanding of the actions. It benefits organisations in problem solving knowing their objectives and what best way to solve them.

The three step model by Lewin (1947) which involves unfreezing, change and refreezing, revealed that unfreezing is more successful if it is directed to reducing the forces that block change (resisting forces), rather than increasing the forces for change. In other words, increasing pressures for change often generate countervailing resistance, at both the individual and organisational levels, and this increases the level of anxiety and tension in the organisation. Bullock and batten (1985) derived their ideas from project management and they recommend using exploration, planning, action, and integration for planned change. Exploration occurs when managers confirm the need for change and secure resources needed for it, this in comparison with the resource dependency theory where management needs to consider its resources when implementing the change. These resources may be physical or they may be mental, such as managers' expertise. The next step, planning, occurs when key decision makers and experts create a change plan that they then review and approve. Next, action occurs with enactment of the plan. There should be opportunities for feedback during the action phase. Finally, integration begins when all actions in the change plan have taken place. Integration occurs when the changes have been aligned with the organization and there is some degree of formalization, such as through policies and procedures in the organization.

Kotter (1996) came with a model consisting of eight steps which involve; Establish a sense of urgency, forming a powerful guiding coalition, Creating a vision, communicating the vision, empowering others to act on the vision, planning for and creating short term wins, consolidating improvements and producing still more change and Institutionalizing new approaches. In order to succeed in the implementation of such a model an organization needs to be dedicated and clear in its goals and objectives. Kanter et al (1992) came up with his ten commandments which involved; Analyzing the organization and its need for change, separate from the past, creating a sense of urgency, supporting a strong leader role, lining up political sponsorship, crafting an implementation plan, developing enabling structures, Communicating, involving people and be honest, reinforcing and institutionalize change. Compared to the planned view of change, the emergent change is backed by relatively limited research and the approached seems to be unorganized with a variety of different views.

The Emergent approach consists of the learning organization (Senge, 1992) that translates the abstract models of evolutionary perspective into more specific organizational terms. The learning organization approach advocates 'starting small' with a small pilot team whose members share a recognition that a particular problem cannot be fixed easily because it is symptomatic of deeper issues. Senge (1999) organizes formal change in three stages: initiating the change effort, sustaining it, and redesigning and rethinking the larger system so that the learning from the pilot project is diffused to the rest of the organisation. The Processual model by Dawson (1994) advocated theConception of need for change which may be in response to some external or internal pressure for change, the environmental theory can be applied on this step depending on the external or internal forces affecting the need for change, Process of organizational transition dealing with different activities, tasks and groups within or outside the organization and operation of new work practices and procedures at a certain period in which a relatively stabilized system of operation emerge comprising new patterns of relations, and new forms of working practices.

The logical incrementalism by Quinn (1980) suggests that managers consciously and proactively move forward but incrementally. It involves the general concern of creating awareness of the issue or opportunity, broadcasting of the general idea by getting various reactions from individuals, the development of a change plan, implementation of change and the adaption of the plan. This approach assumes that the decisions are grouped and analyzed to shape the strategy and move the organization incrementally towards achieving its objectives.

Defining and predicting organizational performance remains a complex concept and a research objective in strategic management (Pearce & Robinson, 2011). Performance is the integration of three broad dimensions of efficiency, effectiveness and adaptability in the delivery of organizational results. It assures that an organization contributes to its mission and remains responsive to the needs of its stakeholders (Hambrick & Mason, 1984).Performance is the strife to outdo organization's competitors in an effort to satisfy its stakeholders (Porter, 1987). It relates to how the entire organization successfully undertakes specific functions to achieve the desired outcomes or results as measured against its pre-defined targets that are unique to its mission. Based on the different researchers view (Pearce & Robinson, 2011, Mallin, 2010, Hitt, Ireland, and Hoskisson, 2011, Murgor, 2014), the debate around the influence of change management practices, which is also conceptualized as an independent variable, environmental factors as moderating variable and strategy content as an intervening variable on performance still begs further discussion since no study has contextualized all the variables that the paper intend to find out.

MATERIALS

The role of environment on the relationship between change management practices and and organization performance have been studied widely. This is informed by the Bain-Mason (1939) Structure-Conduct-Performance (SCP) paradigm of the Industrial Organization (10) economics, whose adoption in strategic management naturally shifted the research focus from the firm to market structure (Hoskisson et al., 1999). The central tenet of this paradigm, as summarized by Porter (1981), is that a firm's performance is primarily a function of the industry environment in which it competes. However, the conceptualization of 'environment' that is adopted in this study transcends Porter's specific industry environment to include all environmental variables external to an organization including the industry environment.

In an effort to improve organizations profitability, and the overall performance, Barney (1986) notes that managers continuously make decision whether to launch new strategic initiatives as well as how to respond or counter other competitors’ moves. He however points out that managers are able to make more effective decisions if they fully understand the firm’s competitive environment.

Kotler et al. (2008) noted that the quest for improved performance often leads managers to consider market entry opportunities. Such opportunities involve either pioneering a market or entering a market that is already occupied by others. High and comprehensive knowledge of the market is needed because there are many crucial factors to consider including whether a first move can create a competitive advantage. It is however noted by Thompson et al. (2007) that this does not create sustainable competitive advantage because second comers often perfect the product and erode the advantage earlier enjoyed by the pioneers. Specifically, sales and profits are enjoyed at an average period of 5 years, which is the reason why firm executives should develop thorough strategies that enhance performance of the firm in the competitive environment.

The concept of competition pointed out by Reuer (2004) is gaining popularity among firms in a bid to improve efficiency. This is through joint ventures, strategic alliances and organizational networks that enable an organization to avoid duplication of resources. However, cooperation exposes the firm to certain risks including loss of control over key operations and potential exploitive behaviours by partners. Therefore, focusing on competition with other firms avoid such risks and enables a firm to be innovative and efficiently manage resources.

Pearce et al. (2003) note that the application by organizations of concepts such as strategic fit between resources and opportunities, generic strategies low cost versus differentiation versus focus and the strategy hierarchy of planning goals, strategies, and tactics often abets the process of competitive decline. There are two contrasting models of strategy which are meant to entrench a competitive advantage over firm’s rivals: one is for maintaining strategic fit while the other focuses on leveraging resources. The two are not mutually exclusive, but they represent a significant difference in emphasis that deeply affects how competitive battles get played out over time.

Porter (1998) acknowledges that both models recognize the problem of competing in a hostile environment with limited resources, but while the emphasis in the first is on trimming ambitions to match available resources, the emphasis in the second is on leveraging resources to reach seemingly unattainable goals. Both models recognize that relative competitive advantage determines relative profitability. The first emphasizes the search for advantages that are inherently sustainable; the second highlights the need to accelerate organizational learning to outpace competitors in building new advantages.

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Conceptual Framework

A conceptual framework is a combination of concepts that integrate and interpret information. In the framework, the independent variable is the change management practices. The relationship between change management practices and organizational performance is moderated by environmental factors. This emerging proposition, knowledge gaps has led to the formulation of the conceptual model as an area for further research.

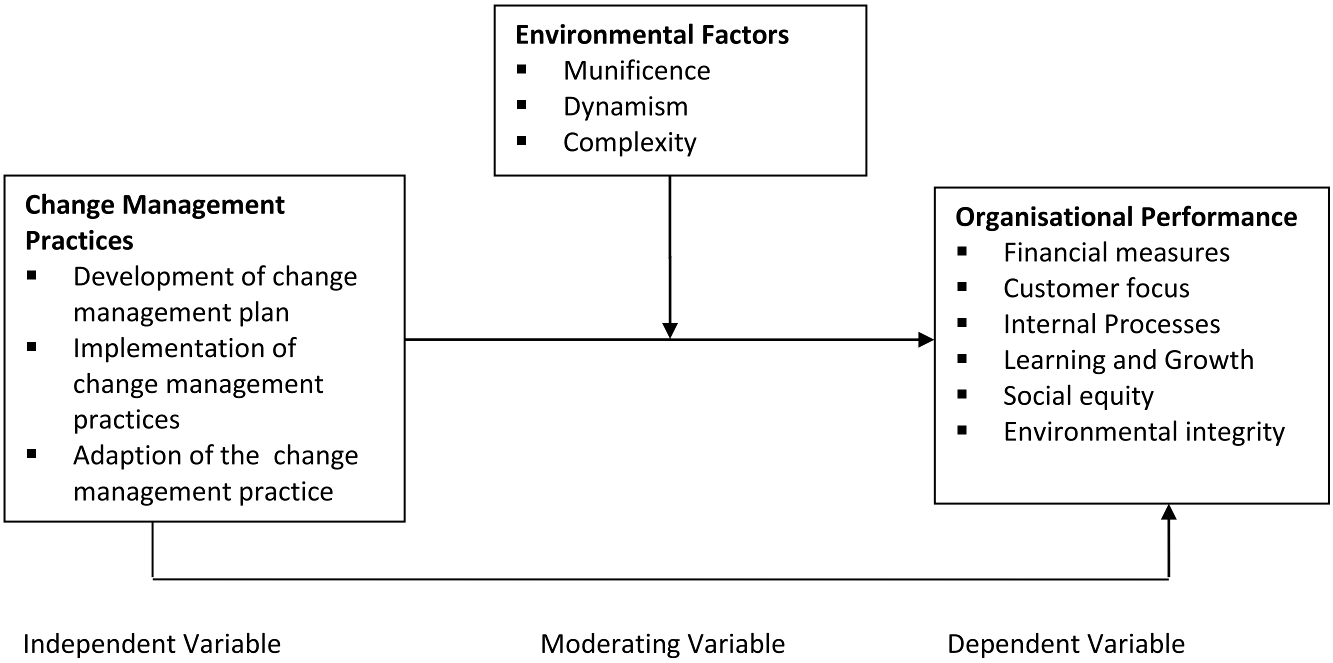

Figure 1: Conceptual Model

CONCLUSION AND RECOMMENDATIONS

Bryson (2011) postulates that the key concern of any organization, whether public, private, for profit or not-for-profit has been how to improve on their performance. Every organization is structured and managed to meet a need or to pursue a certain purpose and collective goals (Grant, 2003; Pearce & Robinson, 2011). Researchers have attempted to learn the reasons as to why some organizations in the same environment, and with same level of resource endowment, perform differently while others fail (Otokiti & Awodun, 2003).This dilemma has pushed management to pay more attention to change management practices, forcing leaders to continually scan the environment, in order to grow and improve performance (Porter, 1987).

From the reviewed literature, for an organization to achieve its mission and to survive into the future, it is imperative for its leadership to constantly adjust its strategy to match the dynamic and turbulent environment (Ansoff, 1987). Despite pursuit of improved performance, most of the major change initiatives generate lukewarm results and many of them fail miserably. This could be because of taking strategic planning as an event rather than a transformational process or environmental turbulence. This proposition calls for continuous monitoring of the external environment, and change management practices and strategy content constructs, for improved performance.

Great performance is assured when the responsiveness of an organization's strategy content matches the turbulence in the environment. The performance, success and indeed the survival, of any organization largely depends on how well the strategic fit relates to challenges and positions the organization to its external environment (Mintzberg, 2008).

Performance is a reflection of how leaders align their organizations to the environment, through strategy content and change management practices, so as to be successful and to outdo competition. How well an organization fits itself within the external environment determines its level of performance since organizations are environment dependent and serving (Summer, 1980; Ansoff & McDonnell, 1990).

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