

Impact of Change Management on the Performance of Regional Centre for Mapping of Resources for Development (RCMRD) in Kenya

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ABSTRACT

Due to the rapid technological and economical changes happening around the world, change management has become an absolute necessity for effective organizational leaders. The broad objective of this study was to determine the impact of change management on the performance of RCMRD. The research study employed a descriptive survey research design and targeted all seventy staff members of RCMRD who were sampled using the census method. Quantitative data was collected using structured closed-ended questionnaires that were later analyzed using SPSS software version 20 for descriptive and inferential statistics before the final report was prepared and presented using tables. The research findings indicate that there exists a positive and significant relationship between change management and organizational performance at RCMRD at 0.579. It was further established that change management using Kotter's eight-stage model for leading change had a statistically significant influence on performance at a 98.3 percent confidence level. It was also found that despite the fact that the model is statistically significant, no single step of the model can significantly impact performance and therefore the need for management of RCMRD to ensure that all the steps are followed when implementing organizational changes. The value of the study was to help RCMRD in determining the effectiveness of the changes it has been carrying out and therefore, help it in making decisions from an informed platform. The study was limited to one specific area of study and since it was self-reporting, some respondents were likely to have responded in their own subjective manner. In the future, other studies can test the combined influence of leadership, culture, and employee motivation on organizational performance.

Keywords: Leadership change management, organizational performance.

INTRODUCTION

In the contemporary business environment characterized by rapidly changing technological changes and an unstable economy, organizations are finding it difficult to achieve their stated objectives. This, therefore, calls for leaders to have a clear understanding of how to manage change for the survival and sustainability of organizations. In a previous study that was done in Pakistan for the purpose of establishing the role of change management on employee performance, Shah et al (2015) as cited in Ali and Hassan (2022) explained declining organizational performance as one of the common challenges confronting public sector as compared to the private sector. In a study that was conducted in Nigeria to determine the role of change management on the organizational performance of Nigerian Telecoms Industries, Olajide (2014) described how many organizations had closed down because they could not survive in the current volatile business environment due to such factors as globalization, rapidly changing technology, and dynamic customer preferences among others. In another study that was done in Kenya with the aim of ascertaining the change management practices that determine the performance of the health sector in Kenya, Kibe, and Kihara

(2022) discovered how Kenya's Ministry of Health performance had not met the expected standards despite the numerous efforts by various stakeholders. From the foregoing discussion, it is evident that performance has been a perennial challenge to many organizations from global, regional, and local perspectives.

Statement of the problem

Organizations are started for the purpose of achieving some stated objectives by managing changes that may occur in the course of running the businesses. In a previous study that was done in Iran, Zarandi et al (2021) explained the need for organizations operating in the contemporary business setting to be able to confront the problems arising from internal and external changes. In a study conducted in Nigeria, Cross (2019) discovered the management of change as one of the contributing factors to organizational success and therefore the need for organizational leaders to anticipate and effectively manage it. Wanza and Nkuraru (2016) found the management of the changes affecting employees as one of the key responsibilities that today's leaders should be ready to deal with for organizational success. From the foregoing discussion, achieving success is therefore one of the key objectives of organizations when they are started.

Despite the fact that organizations are started with the aim of achieving specific and clearly stated objectives, previous research studies have indicated that this has not always been the case. According to a report by the International Air Transport Association (IATA), the aviation sector in the Middle East recorded a negative operating margin of -5.2% and a 4.6% drop in Cargo volume following the trade tensions in 2019 between the United States of America (USA) and China. A Similar impact was experienced by other airlines within the Asia-Pacific region who recorded a 5.6% drop in their cargo volume (IATA, 2020). In Africa, Mukhezakule & Tefera (2019) observed that the aviation sector has not only failed to achieve its market share dominance within the global market but also faced leadership failure. According to a report published by the African Airline Association (AFRAA), some African airlines whose financial situation before COVID-19 was already precarious were negatively impacted (AFRAA, 2021) as was the case with South Africa Airways. In Kenya, the aviation sector has been performing poorly, putting the airlines under extraordinary pressure to either yield feasible as well as sustainable results or face closure (Berbanas *et al.*, 2017 as quoted by Njoroge & Maina, 2021). For example, Kenya airways recorded a net loss of Ksh 7.59 billion in 2018 and Ksh 12.9 billion in 2019 (KQ annual report, 2019) before hitting a record high of Ksh 36.2 billion in 2020 (KQ annual report, 2020) following the impact from COVID-19 pandemic.

Objectives and motivation of the study

The broad objective of the study was to establish the impact of change management on the performance of RCMRD. The specific objectives of the study were to establish the impact of creating a sense of urgency for change, establishing a powerful guiding coalition for change, developing vision and strategies for change, communicating a vision for change, empowering employees for change, celebrating short-term wins for change, consolidating gains to produce more change, and making change part of organizational culture. This study was motivated by the continued decline of organizational performance despite the number of resources that had been pumped into such organizations. The big question is "could managing change be a solution to the improvement of organizational performance at RCMRD?"

CONCEPTUAL AND EMPIRICAL LITERATURE REVIEW

Change management is an area of study that has attracted a lot of attention from scholars in the recent past. This has been due to the rapid technological, economic, and social changes happening across the globe. According to Ali and Hassan (2022), change management "is a style of management that tries to help organizations and individuals adapt to deal with the context flux of their working environment" (p. 494). It is further the act of becoming different or the effect of something being modified. Armstrong (2009) as cited in Kimhi et al (2019) explains change management as the integration of all institutional functions, adherence

to broad organizational goals, and responsiveness to the external environment (p. 5439). Korir et al (2012) as cited in Olajide (2014) define change management as the effective management of business change such that, all organizational leaders are able to work as teams to implement the needed processes, technological, and organizational changes. Change management can therefore be said to be concerned with the plans, processes, and structures that organizations put in place in order to deal with the changes affecting their organizations.

On the other hand, performance as defined by Mohammed (2001) and as cited in Al-Jaradat et al (2013), is the degree of achievement and completion of the tasks of an individual employee or an organization besides how the task is accomplished. As Enos (2007) as cited in Kimhi et al (2019) explained organizational performance as “an indicator and progressive achievement of tangible, specific, measurable, worthwhile, and personally meaningful goals.” (p. 5439). Locke and Latham (2002) as cited in Atieno and Kyongo (2017) define organizational performance as “the sum of the economic results of activities that an organization undertakes” (p. 598) which can be categorized into adaptability, efficiency, and effectiveness (Walker & Ruekert, 2007 as cited in Atieno & Kyongo, 2017). Performance is the actual achievement of an organization in relation to the goals it had set beforehand.

In a previous study to determine the role that organizational change played in improving organizational financial, and economic performance in Bank Shahr central office in Iran, Zarandi et al (2017) used a descriptive-correlational research design while data was collected using a structured questionnaire and later analyzed based on structural equation analysis. The target population for the study was all the Bank’s staff managers and experts who were sampled using the Cochran formula. The findings of the study indicated the existence of a positive and significant correlation between change management and the financial as well as economic performance of Bank Shahr’s central office. The study by Zarandi et al (2017) differs from the current study in that, it used a descriptive-correlational research design while the current study used a descriptive research design. Further, the study by Zarandi et al (2017) was done in the banking industry while the current study was done in a non-governmental context.

In Africa, Methode et al (2019) had a quantitative empirical research study conducted on the effect that organizational change management had on employee performance among selected commercial banks in Bujumbura in Burundi. The study adopted a cross-sectional research design and targeted employees of the bank from whom data was collected using questionnaires. The results of the study showed that change management has a positive and significant effect on the performance of employees in the banks where the study was conducted. The study by Methode et al (2019) used a cross-sectional research design compared to the current study which employed a descriptive research design. In another study, Cross (2019) carried out a study for the purpose of determining the effects that change management had on the performance of firms in Nigeria. The study employed a desk-top approach with the findings showing change management to have a significant contribution to the performance of organizations. The study by Cross (2019) used a desk-top research approach while the current study was quantitative in nature.

In Kenya, Wanza and Nkuraru (2016) conducted a research study for the purpose of establishing the influence that change management had on employee performance at the University of Eldoret. The study used a case study research design and target all employees of Eldoret University who were sampled using a simple random sampling technique. Primary and secondary data were collected from respondents using questionnaires and an interview schedule. Data were analyzed for descriptive statistics using graphs and tables. The findings of the study concluded that change management had a strong and positive significant association with employee performance in the institution where the study was undertaken. The study by Wanza and Nkuraru (2016) was done in an academic setting while the current study was done in an inter- governmental research organization.

Further, the study by Wanza and Nkuraru (2016) collected data using both questionnaires and interview schedules while the current study used questionnaires only.

METHODOLOGY

Research design

This research study employed descriptive research design that summarizes the general nature of the data obtained; how certain measured characteristics appear to be on average, how much variability exists among different pieces of data, how closely two or more characteristics are associated with each other, and so on (Leedy & Ormrod, 2010). Additionally, descriptive research design examines a situation as it is and does not involve changing or modifying the situation under investigation, nor is it intended to determine cause and effect relationships.

Target and sample population

The researcher used the accessible population of all the seventy staff members of RCMRD since they were housed within the same premises. This, therefore, means that they were sampled using a census sampling technique (Leedy & Ormrod, 2014). The staff members (directors, professional staff, and general staff) were spread into three main departments namely: Management, Finance and Administration, Remote Sensing and GIS, and Land Information and Management as shown in Table 1 below.

Table 1: Distribution of Respondents by Departments

| Department | Finance and Administration | Remote Sensing and GIS | Land Information and Management | Total |
|--------------------|----------------------------|------------------------|---------------------------------|-------|
| Directors | 1 | 1 | 1 | 3 |
| Professional Staff | 3 | 3 | 1 | 6 |
| General Staff | 15 | 39 | 7 | 61 |
| | Grant Total | | | 70 |

Source: RCMRD (2022)

Data Collection and Instruments

The tool that was used for data collection was a structured closed-ended questionnaire that had been made in a simple language for all respondents to understand and complete with ease. Section One of the questionnaire collected information concerning the respondents' demographics while Section Two and Three contained questions on the change management and organizational performance at RCMRD respectively. The questionnaire was hand-delivered to all staff members of RCMRD and asked to fill and return them within three weeks. After the expiry of the two-week period, a reminder was sent to them through an email on the need to return the forms after which, the forms were collected before the data was analyzed.

Data Analysis

Once the data was collected, it was systematically sorted, coded, and cleaned before it was analysed using SPSS software version 20. Data analysis was done using descriptive and inferential statistics to enable the researcher to meaningfully describe a distribution of scores or measurements using a few indices or statistics. Descriptive statistics describe what the data look like, where their centre or midpoint is spread, and how closely two or more variables within the data are interconnected. Some of the descriptive statistics used in this study were mean, frequencies, coefficient of variance (CV's) standard deviation, and inferential statistics carried out was multiple regression analysis. Inferential statistics help the researcher decide whether the differences observed between two groups in an experiment are large enough to be attributed to the experimental intervention rather than to a once-in-a-blue-moon fluke (Leedy & Ormrod, 2014).

FINDINGS

Response rate

Questionnaires were distributed to the targeted population of all 70 staff members of RCMRD. Unfortunately, not all questionnaires were returned. However, a total of 59 questionnaires out of the total of 70 questionnaires were returned by staff members translating to a response rate of 84.2 percent of the total staff members. 84.2 percent is a good response rate and compares well with other similar studies carried out in the past (Wambaire, 2013).

In order to determine the relationship that exists between change management and organizational performance at RCMRD, multiple regression analysis was conducted. The results are presented in Table 1 below.

Table 1: Regression Table – Change management and organizational performance

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----------|----------|-------------------|----------------------------|
| 1 | .579 a | .335 | .211 | .904 |

Source: (Field Data)

a. Predictors: (Constant), Change management and organizational performance

In the correlation coefficient, R is a measure of the linear relationship between two variables and takes on values between -1 and 1. Negative values indicate the relationship between the variables is indirect while positive values for R indicate that the data tends to have a positive slope. If R = 0, the variables are uncorrelated. The closer the absolute value of R is to 1, the stronger the linear association between the two variables (Leedy & Ormrod, 2010). The results of this research study, therefore, indicate that there is a positive and significant relationship between change management and organizational performance at 0.579. There is a moderate impact that change management has on organizational performance at RCMRD at 33.5 percent. This means that 33.5 percent of performance at RCMRD is attributed to change. The remaining 66.5 percent of performance is due to other factors such as employees' motivation and teamwork.

Table 2: ANOVA

| Model | Sum of Squares | Df | Mean Square | F | Sig |
|-----------------------------|----------------|----|-------------|-------|-------------------|
| 1 Regression Residual Total | 17.692 | 8 | 2.212 | 2.707 | .017 ^a |
| | 35.135 | 43 | | | |
| | 52.827 | 51 | | | |

(Source, Field Data, 2022)

The results in Table 2 above showed a confidence level of 1.7 (98.3 percent) which is lower than the recommended 0.5 percent indicating that the model of change management used in this study was statistically significant and therefore can be used in organizations to bring change.

CONCLUSION

The results of the study indicated that there is a positive relationship between change management and performance at RCMRD at 0.579 percent. This means that when Kotter's eight-stage model for leading change is implemented effectively at the Centre, it will result in a positive impact on the overall performance of the organization. However, it was discovered that none of the steps could have a significant impact on performance when it is standing alone and therefore the need to use all the eight steps when implementing change. The study has made a significant contribution to the body of knowledge because no previous empirical research study had been done at RCMRD to establish the impact of change management on its performance in the past. Additionally, the management of RCMRD will have a reference point when making decisions that are related to the improvement of the performance of RCMRD. And since the study only used change management as the independent variable, future researchers could test the impact that other aspects such as employee motivation, leadership, and organizational culture have on organizational performance.

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