



ORGANIZATIONAL CHANGE AND EMPLOYEES` COMMITMENT IN LISTED MANUFACTURING FIRMS IN NIGERIAN STOCK EXCHANGE.

Ochugudu Achoda Ipuele, (Ph.D.)
Department of Business Management
Benue State University, Makurdi

&

Zozo Terkura
Department of Management
University of Nigeria, Nsukka

Adem Terngu Alfred
Benue Investment and Properties Limited,
Makurdi.
Alfred.

ABSTRACT

The study seeks to assess the effect of organizational change on employees` commitment in the consumer sub-sector of the Nigerian`s manufacturing industry. Data for the study was elicited from a sample of 300 employees of ten (10) manufacturing companies in the consumer sector listed in the Nigerian Stock Exchange. Data collection was done with the aid of a structured questionnaire with items measured in Likert type scale. Data analysis was done using descriptive and inferential tools. Survey research design was used in this study, and the statistical tool adopted comprises of correlation and regression analysis. Hypotheses were tested using multiple regression model. The findings show that there is significant positive relationship between employee`s commitment and Personal Valence, Perception of training for change and Perception of change communication. The study therefore concludes that in today`s complex and globally competitive world where every organization is facing new challenges regarding qualitative services, no organization can perform at peak levels unless employee are committed to the organization`s set goals and objectives. The study recommended among others that manufacturing industries should ensure that employees are well motivated to be ready for change so as to gain their commitment and there should also be improvement of employees Personal Valence.

Key words: *Organizational Change, Employees` Commitment, Manufacturing firms, Nigeria Stock Exchange*

1. Introduction

Increased global competition, information and communication technology and other unique breakthrough in process innovation are constantly forcing organizations to either adopt or adapt



to changes in the industry in order to keep pace with trends in the business world. Employees want satisfactory work environments where they can actualize their dreams and meet personal set goal. Customers are demanding greater value for their money and investors want more integrity in financial disclosures in order to maximize returns on their investments. Companies no longer have a choice but must change in order to survive in today's complex and globally competitive environment. Unfortunately, it is not easy to successfully implement change in organization. It is therefore, important for current and future managers to learn how they can successfully implement organizational change, (Salami, 2011).

In turbulent times, the only constant is change; the only certainty will be uncertainty (Omar, Erzan & Mahmoud, 2014). As global pressure or change continues to challenge the appropriateness of current organizational strategies, processes and structures; organizations are required to constantly grapple with the costs and benefits associated with change in their operating environments. The kinds of changes implemented in an organization could be minor, major, or even transformative in line with the requirement of the situation on ground. Organizations are constantly faced with a changing environment occasioned by changes in taste and preferences, product life cycle, technology and customer's demography, which calls for change in parts of the organization or the organization as a whole. If organizations are to change in a radical manner, then the management of such a change (both radical and incremental) will be one of the key factors that will distinguish the successful organizations from others in the industry.

Organizational change refers to the adoption of new idea or behavior by an organization (Bovey & Hede 2001). The execution or the implementation of change in an organization must be properly planned for it to be successful. According to Adebajo (2006), for change to be successfully implemented, specific managers should be assigned the duty of identifying problems and taking responsibility or charge of the implementation of the recommendations. The forces that generate changes in any organization include: competition, regulation, financial innovation, technology, political among others (Bovey & Hede 2001). In recent times, competition among existing firms or from new entrants has increased among manufacturing



firms. Structural adjustments in manufacturing products and the new forms of competitions are placing enormous challenges on managerial responsibilities and causing a drastic shift in their competitive tactics. Manufacturing organizations that want to survive and succeed must either adjust to new realities that impact business success or risk business failure.

It is an obvious fact that managers in the manufacturing sector face a lot of difficulties in the process of introducing and implementing organizational change. Many change programs fail most times due to the wrong diagnosis of the problems at the initial stage (Dove, 2001). Some end up in the drawing board while others are simply poorly or inappropriately implemented. Many manufacturing companies in Nigeria fail in their attempt to effectively implement strategies. Often, at the end of most planned change strategies, the plans, sometime take a wrong turn and end up on the manager's bookshelf. Researchers have observed that the failure of organizational change initiatives can generally be attributed to negative employee attitudes towards the change (Bellou 2007; Durmaz 2007). Unless adequately managed and monitored by managers, organizational change initiatives may result in feelings of fear and uncertainty (Bovey & Hede 2001),

Achieving radical organizational change is not easy. Change managers rely on the commitment of employees when implementing organizational change, but the problem is that organizational commitment may decrease in response to the change. Change appears threatening to many people, which makes it difficult to gain their support or commitment to implementing changes. Consequently, the ability of managers to effectively manage change is a highly sought-after skill in most existing or emerging organizations. Companies therefore need people who can contribute positively to their inevitable change efforts. This has given rise to the need and interest in studying how manufacturing companies manage change effectively and its corresponding effect on employees' commitment. Hence, the study seeks to examine the relationship between organizational change and employees' commitment. Other specific objectives to be achieved in this study include: to examine the relationship between personal valence and employees' commitment; to determine the relationship between perception of



change communication and employees` commitment; and to determine the relationship between perception of training for change and employees` commitment.

Research hypotheses

- Ho₁ valence does not have significant relationship with employees` commitment.
- Ho₂ Perception of change communication does not have significant relationship with employees` commitment
- Ho₃ Perception of training for change does not have significant relationship with employees` commitment.

2. Review of Literature and Theoretical Framework

Concept of organizational change

Many organizations today feel compelled to undertake changes in their internal structure as a result to increased competition, environmental directives and governmental regulations (Omar et al., 2014). A number of scholars have identified employee commitment as an essential pre-requisite to the successful implantation of organizational change (Bellou 2007; Vakola & Nikolaou, 2005), leading to increased stress level, reduced levels of trust between employees and the management, and declining levels of organizational commitment (Coetsee, 1999). Change managers tend to rely on the commitment of their employees when implementing organizational change (Bennet & Durkin 2001), but the level of organizational commitment may decrease in response to the change initiatives (Lau, Tse & Zhou 2002). A decrease in levels of organizational commitment during processes of change could lead to increased levels of absenteeism and higher turnover rates (Cotton & Tuttle 2009), further hampering the success of the change initiative.

Organizational change is the concept used to describe the transformation process that a firm goes through in response to a strategic reorientation, restructure, change in technology, change in management, merger or acquisition or the development of new goals and objectives for the company (Hendry, 2004). The re-alignment of resources and the redeployment of capital can



bring many challenges during transformation process in a firm and organizational change management seeks to address this, by adopting best practice standards to help with the integration of new company vision.

Organizations that are close to the end of their product life cycle may make organizational changes in response to exiting a market or reorienting resources to new market segments within the existing business operations. Dessler (1998) in Salami (2011) opine that change is the redesigning of the organizational structure, i.e, changing the departmentalization, co-ordination, span of control, reporting relationships or centralization of decision making. Change efforts should seek to also alter the way things are done to promote efficiency and effectiveness in order to remain competitive. The challenges encountered during the period of organizational change have a ripple effect on the entire organization. When the various business units that comprised an organisation are fully integrated, a change or restructure in one unit can have a profound effect on another, (Burke & Bill, 2000). Trying to increase productivity in an organization when experiencing a reduction in resources is a prime example of how shortfalls can create stress for the company's employers. Effectively managing this process is a skill that has created a new area of expertise that has become known as change management in organizations.

Organizational change and employee commitment

Employee commitment (attitudes) may be referred to as hypothetical constructs that represent an individual's degree or like or dislike for an item (Bagherian, Baheman, Asnarulkhadi & Shamsuddin, 2009). Attitudes towards organizational change may therefore refer to the employees' positive or negative evaluative judgments of the change. These attitudes may range from strong positive attitudes to strong negative ones. Change may be received with happiness and excitement, or fear and anger. Some employees may approach organizational change as an opportunity for growth and improvement, while others may associate it with instability and risk (Cochran, Bromley & Swando 2002). These negative reactions towards change occur because change usually causes increased pressure, stress and uncertainty (Jones, Watson, Hobman, Bordia, Gallois & Callan 2008). Positive attitudes towards organizational



change are critical to the success of change initiatives, as they increase employee cooperation during the change process and prevent resistant behaviour such as hostility and fear (Vakola & Nikolaou 2005).

Employee commitment (attitude) towards organizational change can be classified as cognitive, effective and behavioural or intentional (Piderit 2000). Affective responses to change reflect how employee feel about the change, while cognitive responses to change reflect the employees` thoughts about the change. Behavioural or intentional responses to change result from the thoughts and judgments (cognitions) employee have about the change and the feelings and emotions (affects) associated with the change.

Companies that are going through extensive organizational change usually employ the services of a highly specialized personnel who can assist with the integration process (Buchel, 2004). Personnel who operate in this area are adopted as translating a company`s vision, communicating, integrating and re-educating individuals to align with the new goals and objectives of the company. This can include advising management where rigid operational structures need to be adapted to better serve the needs of the company and the employees alike. Change management is evolving as the business landscape changes in response to changing demography, customer tastes and preferences, developments, and new and improved processes and technologies.

Organizational change can impact the psychological, emotional and physical states of a companies` employees. In the opinion of Stebel (2003) a change in the company`s operation can challenge and stress the people`s value and central core beliefs. Dealing with behavioral and cultural changes is part of the organizational change process and an important consideration for change management in organizations particularly in the manufacturing industry.

Employee commitment

Work experiences that are consistence with an employee`s expectations and basic needs will facilitate the development of effective commitment towards the organization (Stallworth 2004). And employees displaying high levels of effective commitment will act in the interests of the



organization even in the face of uncertainty. Affective commitment is the strength of an individual's identification and development with the organization. It is characterized by a strong belief in and acceptance of the goals and values of the organization, a willingness to put in extra effort on behalf of the organization and a desire to remain a member of the organization (Maxwell Steele 2003; Falkenburg & Schyns 2007).

Normative commitment: is a form of commitment that is based on an individual's feeling of obligation to remain with the organization because it is seen as the moral and right things to do (Meyer & Allen, 2001). These feelings of obligation can occur in instance where, for example, the organization has supported the employees' educational efforts (Williams 2004).

Commitment to the organization on the part of the employee is critical when an organization engages in change initiatives, as committed employees will provide many benefits to the organization undergoing change. These benefits might include putting in extra effort to ensure that the change assist the organization to function effectively.

Continuance commitment: can be defined as the commitment an employee has towards the organization because of the investment they made in the organization and the costs associated with leaving the organization (Falkenburg & Schyns 2007). These investments could include the close working relationships with co-workers in the organisation, retirement and career investments. Continuance commitment is also strengthened by a perceived lack of employment alternatives, which increases the cost associated with leaving the organization (Stallworth 2004). Employees who possess a high degree of effective commitment will remain with the organization because they want to, while employees with a high degree of continuance commitment will remain with the organization because they have to. Such employee may also exert considerable effort on behalf of the organization if they believe that continued employment requires such performance.

DimensionsofOrganisational Change

Change readiness results from the thoughts and judgments that individuals have about the change and their feelings towards the change (affect). For instance, readiness for change increases when



employee feel that the change is needed (need for change), justified and appropriate and employees are also less likely to resist change when they feel that some value will accrue to them as a result of the change (Jansen & Michael 2010). Employees who believe that the change will benefit both themselves and the organizations are more likely to support the change, whereas employees who do not believe that any benefits will result from the change implemented in the organization will resist the change effort (Jansen & Michael 2010). Visagie, and Steyn, (2011), identified some dimensions of organizational change to include: change readiness, personal valence, organizational valence, perception of change communication and perception of training for change.

Resistance to change have been identified as opposite of change readiness, and two primary intentional responses to change (Armenakis & Harris 2002; Bernerth 2004); as a precursor to behaviours of resistance towards or support for the change effort. Change readiness has been described as the best attitudinal predictor of commitment and support for change. its opposite, resistance to change manifests itself in a number of different ways such as an increase in grievances, high levels of employees' turnover, low efficiency, restriction of output and aggression towards management (Benebroek Gravenhorst 2003).

Resistance to change is also less likely when employee believe that they are able to cope with the change (Armenakis et al., 1999) and have the skills and abilities to execute the tasks and activities that are associated with the implementation of the intended change (change confidence) (Holt, Armenakis, Field & Harris, 2007). The suggestion by Bandura and Adams (2000) is that the stronger an employee's change confidence is, the more active his or her coping efforts are. Employees whose confidence level are low, or whose coping efforts cease, are more likely to resist organizational change.

According to Hague (2002), training for change should be planned in such a way that it results in organizational commitment. On the other hand, Gaertner and Nollen (2001) proposed that employees' commitment is as a result of some human resources practices, that is, succession planning and promotions, career development and training opportunities. All these practices, when achieved results in greater employees' commitment. Due to fast pace in global and



technological development, the firms are now facing new changes as well as challenges. Technological advancements have molded the need of capabilities and competencies required to perform a particular task. Thus, to cope with these challenges, more improved and effective training programs are required by all industries. Effective training program can help in constructing a more conducive learning environment for the employees and train them to cope with the upcoming challenges more easily and in time (Wei-Tai, 2006).

Training is also an important change process that can enhance change efficacy among employees (Chiang, 2010). Research suggests that training employees about the change minimizes fear and uncertainty (Vakola & Nikolaou 2005). Thorough training accurate information regarding the reasons for the change, the desired outcomes of the change and the impact that the change could have on employees and the organization is transferred, thereby creating beliefs about the need for the change.

Theoretical framework.

Life cycle model

Two of the most comprehensive typologies, offered by Garud and Van De Ven (2001), employ the following categories: life cycle and evolutionary model. Some theorists argue that there is enough evidence to distinguish between them. For example, life-cycle models emerge from a different disciplinary base (psychology rather than biology). Many authors are developing change classification schemes within individual categories such as evolutionary or teleological models (Garud and Van de Ven 2001). These two categories, in particular, have a proliferation of individual models, requiring more refined categorization (Durmaz, 2007). He further expressed the concern that the two theoretical perspectives appear to have reached a stalemate that needs to be broken. The garbage that a model can offered by Cohen and March (1991) is one theory that emerged as a result of an earlier stalemate between these two models, accepting both contingency and control as shaping the process of change. Social-cognition, dialectical, and cultural models evolved out of efforts to reconcile some of the perceived problematical assumptions of planned change and adaptive change models. However, the similarities among the various models in different categories are in fact more significant than the differences. Some



teleological models, for instance, share assumptions, with evolutionary model. Some scholars in the field of change management consider strategic choice to be teleological while others view it as Evolutionary.

Presently, the practice of organizational change is deemed very important by business and management for firms to survive and remain relevant or competitive. Though, a firm's characteristics such as business priorities, management styles, internal resources constraints and capabilities are some of the organizational factors that affect how firms may practice and adapt to change. According to organizational life cycle theory, during the firm's growth from inception through high-growth to maturity, a firm's characteristics differs and the internal resources and capabilities of the firm changes. Literature has discussed the intricacies of organizational life cycle, but little is known about how it possibly relates to firms change process. The understanding is that, organizational life cycle theory metaphorically, uses living organisms to explain the successive stages of organizational growth and development. These stages from infancy faced difficulties or challenges at one time or the order as they move from one stage to the order. Since the essence of change management is to profile strategies needed to be adopted to cope with these challenges as it occurs, this study will be anchored on the organizational life cycle theory.

Empirical Review

Donald, Steven and David, (2019) carried out a research on the effects of organizational changes on employee commitment: a multilevel investigation. They observed or found that organizations are usually concerned with the impact that organizational change can have on both the individuals' response to the change itself and on their ongoing relationship with the organization. The study examines how organizational changes in 32 different organizations both public and private, affected individuals' commitment to a specific change and their broader commitment to the organization as a whole.

The results of the study indicated that both types of commitment may be best understood in terms of a 3- way interaction between the overall favorableness (positive/negative) of the change for the work unit members, the extent of the change in the work unit, and the impact of the



change on the individual's job. In addition, the fairness or otherwise of the change process was found to interact with the effects of work unit change on organizational commitment.

Mohd, Syuhaida, Wan and Mohammad, (2017) examined trust in management, communication and organizational commitment: Factors influencing readiness for change management in organization. They pointed out that organizational change occurs when an organization makes a transition from its current state to some desired future state in minimizing employee resistance and cost to the organization while simultaneously maximizing the effectiveness of the change effort to the same organisation. The paper, aims at appraising the change management of organization in Malaysia since limited research has been done to examine readiness for change by the employees in the organization. The objectives of the paper were to: investigating the current practice of organization and employees in the organization towards change management and to assess the factors influencing readiness of organization and employees in the organization towards change management.

It was found through literature review that change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented to transitioning individuals, teams, and organizations to a desired future state. Particularly, by focusing on the wider impacts of change, especially on people, where change does not happen in isolation and it impacts on the whole organization. The study found that current practice of organization and employees in the organization towards change management involved three main factors, namely trust in management, communication and organizational commitment; with the factor for trust in management being the positive vision for the future by management team. Meanwhile for communication, it was found that there is good communication between supervisors and employees about the organization's policy toward the changes. The factor found in organizational commitment was employees enjoying discussing about their organization with outsiders. The findings of this paper provide a better understanding of change management planning, which ultimately help in ensuring more effective change management program implementation in the organizations in Malaysia.



3. Method of the Study

Cross sectional research design was adopted for the study, the population for the study consists of the ten (10) best performing manufacturing companies in the consumer sector listed in the Nigerian Stock Exchange - (Multi-Trex Food, Nigeria Breweries, Flour Mills of Nigeria, Dangote Sugar, Nestle Nig., Guinness Nig., Tiger Branded, Honywell Flour Mill, PZ Cussons and Unilever Nig. The total population of the study using the ten firms was 17,789. The sample size that was used in this study comprises 311 employees that was determined using the Taro Yamani's formula. The simple random sampling method was employed (which involved selecting all the even numbers starting from number 2 in the attendance register of selected departments). The primary data was used for analysis with the aid of questionnaire which was divided into (2) two parts: part A and B. Part A focuses on the bio-data that seeks to establish the competence and the capability of the respondents to provide the relevant information required for the study while Part B was designed to address the specific objectives of the study. The response format was in a five (5) point adjusted Likert scale system ranging from 1-strongly disagree to 5 strongly agree.

The statistical tools used in the analysis of data comprise of descriptive statistic, the Jacque Bera normality test, Correlation and OLS multiple regression because of the nature of the topic (change management and organizational commitment) which has to do with the measurement of relationship. Correlation Coefficient was used to establish the association and statistical relationship that exist among variables; it shows the relationship between variables. While, OLS multiple regression on the other hand, was used for acceptance and non-acceptance of null hypotheses and prediction of outcome, Post regression diagnostic test (PRDT) was tested so as to certify the regression model before generalization, which includes: test for Multicollinearity using the VIF test, test for Heteroskedasticity and the Ramsey regression specification-error test for omitted variables (Ramsey RESET). The study used stata (13) as the statistical package for data analysis.

Content validity was undertaken to ascertain whether the content of the questionnaire was appropriate and relevant to the study objectives. To estimate the content validity of the variables



measured by the Questionnaire, the researchers seeks the opinion of lecturers, practicing managers in related firms and others experts in the field of management discipline.

Reliability assessment was carried out using Cronbach’s alpha (CA) index tests with the aid of a pilot study conducted using twenty (20) set of questionnaire, which was distributed at random to staff of Nigeria Breweries that was used as the pilot study organisation. The company was chosen based on proximity, data availability, size and age of the organization. Data was collected and the result of the validity of the questionnaire was computed using Stata version 13, the result showed that the CronbachAlpha coefficient value for all the constructs was above 0.7.

Table 1: Proportionate Distribution of the sample size to the selected companies

S/N	Full Company name	Population of core staff	Sample Size
1	Multi-Trex Food	1,992	(1,992/17789)*311=37
2	Nigeria Breweries	3,646	(3,646/17789)*311=64
3	Flour Mills Of Nigeria	1,611	(1,611/17789)*311=28
4	Dangote Sugar	1,419	(1,419/17789)*311=25
5	Nestle Nig.	2,325	(2,325/17789)*311=40
6	Guinness Nig.	1,344	(1,344/17789)*311=23
7	Tiger Branded	1,615	(1,615/17789)*311=28
8	Honywell Flour Mill	844	(844/17789)*311=14
9	PZ Cussons	1,786	(1,786/17789)*311=31
10	Unilever Nig.	1,207	(1,207/17789)*311=21
Total		17,789	311

Source: NSE (2018)

Measures of Variables

Change readiness was measured with the use of the four items adopted from(Holt et al., 2007: Durmaz, 2007).Employee commitment in the industry were measured using an instrument developed by Meyer and Allen(2001).The reliability of the instrument in this research study measured/established using Cronbach Alpha coefficient.

Model Specification

EMPC = f (ORGC)

ORGC = (PERV, CHGC, PTFC)

EMPC = $\alpha_0 + \beta_1 \text{PERV} + \beta_2 \text{CHGC} + \beta_3 \text{PTFC} + \mu$

Where:

EMPC = Employees` Commitment

ORGC = Organizational Change

PERV = Personal Valence

CHGC = Perception of Change Communication

PTFC = Perception of Training for Change



$B_1 - \beta_n$ = Regression equations

μ = Error Term

α_0 = The intercept

4. Results

Three hundred and eleven (311) sets of validated Questionnaire was distributed to the various respondents, 309 were successfully retrieved but 300 was subsequently found to be appropriate for the purpose of analysis representing 77%. A total of 168 respondents were males representing 56% of the respondents while the females' respondents were 132 representing 44% of the respondent's sampled.

On the age range of the respondents, it was revealed that 140 of the respondents representing 46.7% of those sampled were below 30 years of age, 100 order respondents representing 33.3% fell within the age range of 31-40 and 60 respondents representing 20% of the sample used were above 40 years. The marital composition of the sample shows that 175 of the respondents being 58.3% of the sample population used were single, while 125 being 41.7% were married. The educational qualification of the sample revealed that 145 (48.3%) were MBA holders; 45 (15%) were BSc. holders; 98(32.7%) respondents were HND holders, 12 (4%) possess other certificates.

Table 2: Change readiness

S/n	Change readiness	1	2	3	4	5
9	Organizational changes improve our organization`s overall efficiency	88	144	39	29	-
10	Our senior managers encourages all of us to embrace organizational changes	146	39	41	48	26
11	My managers are committed to making the change effort a success	89	155	19	27	10
12	My colleagues support organizational change efforts	94	117	49	20	20

A total of 232 of the respondents agree that organizational changes improve their organization`s overall efficiency, 39 were undecided, while 29 disagree. On the issue of whether the senior managers encourage all the employees to embrace organizational changes, 185 of the respondents agree, 41 of the respondents were undecided, while 74 disagree. Again, 244 of the respondents agree that their managers are committed to making the change effort a success, 19 of the respondents were undecided, while 37 disagree to the statement. Also, 211 of the respondents agreed that their colleagues support organizational change efforts, 49 were undecided, while 40 of the respondents disagreed.



Table 3: Personal Valence

S/n	Personal Valence	1	2	3	4	5
13	When this change is implemented, I envisage financial benefits coming my any	48	146	41	55	10
14.	This change will disrupt many of the personal relationships I have developed	59	145	39	47	10
15	When this change is implemented, I don't believe there is anything for me to gain	39	145	39	37	40
16	The intended change makes me question my future employment with this organization	94	117	-	40	49

On the issue of whether the employee envisaged financial benefit coming their way during change implementation period, a total of 194 of the respondents agreed, 41 were undecided, while 65 disagreed. Also, on the issue of whether change will disrupt many of the personal relationships employees have developed, 204 of the respondents agreed, 39 of the respondents were undecided, while 57 disagreed. Again, 184 of the respondents agreed that when change is implemented, they don't believe there is anything for them to gain, 39 of the respondents were undecided, while 77 disagreed. Furthermore, 211 of the respondents agreed that the intended change makes them question their future employment with this organization while 89 of the respondents disagreed.

Table 4 perception of change communication

S/n	Perceptions of change communication	1	2	3	4	5
17	I am thoroughly satisfied with the information I receive about the change in my organization	148	104	39	9	-
18	I know how to access the necessary information about changes in the organization	116	89	21	48	26
19	I believe that the information transmitted about the changes in this organization explains why change is needed	89	145	39	7	20
20	I Still believe that there are opportunities for growth & with the change communication.	124	97	39	40	10

On the issue of perception of change communication, 252 respondents agreed that they are thoroughly satisfied with the information they received about the change in their organization, 39 were undecided, while 9 respondents disagreed. Also, on the issue of whether the employees know how to access the necessary information about the change in their organisations, 205 respondents agreed, 21 of the respondents were undecided, while 72 disagreed. Again, 234 of the respondents agreed they believe that the information transmitted about the changes in their organization explains why change is needed, 39 of the respondents were undecided, while 27 disagreed. Furthermore, 221 respondents believe that there are still opportunities for growth & with the change communication, 39 respondents were undecided, while 50 respondents disagreed.

Table 5 Perception of Training for Change



S/n	Perceptions of training for change	1	2	3	4	5
21	This organization`s head office arranges seminars or workshops in order to train personnel about the changes in this organization.	128	144	19	9	-
22	I consider myself adequately trained about the changes in the organization.	146	79	41	8	26
23	Training add value to my job, enhance my contentment and commitment	109	145	39	7	-
24	There is need for additional training and capacity building if we are to successfully implement the change process.	134	117	19	30	10

On the perception of training for change, 272 respondents agreed that their organization`s head office arranges seminars or workshops to train personnel about the changes in their organizations, 19 were undecided, while 9 respondents disagreed. Also, on whether the employees considered themselves adequately trained for the changes in their organizations, 225 respondents agreed, 41 respondents were undecided, while 34 others disagreed.

Again, 254 respondents agreed that training add value to their jobs, and enhances their contentment and commitments, 39 respondents were undecided, while only 7 others disagreed. Furthermore, 251 respondents agreed that there is need for additional training and capacity building for them to successfully implement the change process, 19 respondents were undecided, while 40 of the respondents disagreed.

Table 6 Employee Commitment

S/n	Employee commitment	1	2	3	4	5
25	I would not leave my organization right now, because I have a sense of obligation to the people in it.	108	144	8	40	-
26	Even if it were to my advantage, I do not feel it would be right to leave the organization	106	79	41	48	26
27	Right now, staying with my organization is a matter of necessity as much as desire	59	145	31	45	20
28	One of the major reasons I continue to work for this organization is that leaving would require a considerable amount of personal sacrifice – another organization may not match the overall benefits I have here.	114	107	49	30	10

On the issue of employee commitment, 252 respondents agreed that they would not leave their organization now, because they have a sense of obligation to the people working in the organisation, 8 were undecided, while 40 respondents disagreed. Also, on the issue of whether the employees feel it would be right to leave the organization even if it`s to their advantage, 185 respondents agreed, 41 were undecided, while 74 disagreed. Again, 204 respondents agreed that staying with their organization right now is a matter of necessity as much as desire, 31 respondents were undecided, while 65 disagreed. Finally, 221 of the respondents agreed that one of the major reasons why they continue to work for their organization is that leaving would require a considerable amount of personal sacrifice – (another organization may not match the overall benefits they have here), 49 respondents were undecided, while 30 others disagreed.

Table 7: Normality Test



Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	adj chi2(2)	joint Prob>chi2
ptfc	300	0.0000	0.0474	34.62	0.0000
perv	300	0.0000	0.0037	42.54	0.0000
chgc	300	0.0000	0.0003	45.73	0.0000
empc	300	0.0000	0.4312	24.31	0.0000

Source: Stata version (13)

Table 7 shows that the data used is normally distributed

Table 8: Correlation between the studied variables

	ptfc	perv	chgc	empc
ptfc	1.0000			
perv	0.4228	1.0000		
chgc	0.4348	0.4132	1.0000	
empc	0.4814	0.4983	0.5027	1.0000

Source: Stata version (13)

Table 8 indicated that organizational change dimensions and employees’ commitment were positively correlated and this correlation is statistically significant. This result indicates the importance of organizational change dimensions to create positive work climate to enhance employees’ commitment.

Test of Hypotheses

Table 9: Regression Model (Employees commitment (EMPC) used as the Dependent variable)

Variables	OLS Regression
C	.743*
PTFC	0.229*
PERV	0.279*
CHGC	0.331*
Adj R-Squared	0.391
F-Statistic	65.01*
VIF Test (Mean)	1.34
Heteroskedasticity	13.05 (0.22)
Ramsey RESET test	1.58 (0.195)
Observation	300

Author (2019), Note: * and ** represent 1% and 10% level of significance respectively. Values in () are the respective P-values. (As computed from Appendix 1)



The table 9 shows a mean VIF value of 1.34 which is less than the benchmark value of 10, this indicates the absence of multicollinearity, and this also implies that no independent variable was dropped from the model. Also, in the table above, it can be observed that the OLS multiple results had no heteroscedasticity problem [13.05(0.22)], hence, no need for robust regression, implying that the OLS multiple regression can be used to test the formulated hypotheses.

Personal valence and employees` commitment(OLS multiple regression = 0.279 (0.000) with p-value < 0.05. Hence, Personal valence as an independent variable dimension of organizational change (ORGC) has a positive and significant influence on employees` commitment at 1% level. This therefore means we should reject H_{01} , implying that “there is significant positive relationship between Personal valence and employees` commitment”. The above finding is in consonance with (Donald et al., 2019; Visagie & Steyn, 2011) when they emphasized that commitment and good Personal Valence are related, adding that voluntary turnover is typically the result because there is a desirability to move between jobs when there is no favourable or good Personal Valence for employees. The implication of the finding is that organizations that do not provide favourable working environment for their employees will witness employee dissatisfaction and turnover as a result of employees not being committed to their job.

Perception of change communication and employees` commitment(OLS multiple regression = 0.331 (0.000) with p-value < 0.05. This implies we should reject the H_{02} , implying that “there is significant positive relationship between Perception of change communication and employees` commitment”. This result agrees with prior empirical results of Holt, Armenakis, Feild and Harris, (2007) and Yaziei (2002) where it was observed that there are certain links between the reasons why employees commit themselves to a company and level of Employee commitment. The implication of this finding is that organizations that do not train and develop their employees will lose their commitment. Agreeing with the above observation, Durmaz (2007) also opine that Change readiness boost employee`s moral, productivity and stimulate employees to remain committed to their organization. The implication of this finding is that lack of employee Change readiness could result in lack of morale, productivity, and problems with employee turnover.



Perception of training for change and employees` commitment(OLS multiple regression =0.229 (0.000) with the p-value < 0.05. This therefore means we should reject the **H₀₃**, implying that “there is significant positive relationship between Perception of training for change and employees` commitment. This result agrees with prior empirical results of Kreitner and Kinicki (2005) which shows that Perception of training for change significantly related to employee commitment, also [Donald et al., \(2019\)](#) views Perception of training for change as an extrinsic comfort that has a positive relation with workers` commitment and performance. The implication of this finding is that organizations that do not provide Perception of training for change for their employees will experience employee turnover.

In table 9, we observed from the OLS multiple regression that the adjusted R-squared value of 0.391 shows that about 39.1% of the systematic variations in the dependent variable (employees` commitment) was jointly explained by the independent variables (organizational change dimensions). The F-statistic value of 65.01 and its associated P-value of 0.000 shows that the OLS multiple regression model on the overall is statistically significant at 1% level, this means that the regression model is valid and can be used for statistical inference.

Conclusions

In today`s competitive world every organization is facing new challenges regarding qualitative service and creating committed workforce, hence, the need for change. Organization cannot perform at peak levels today unless their employees are committed to the organizations objectives. Companies that provide career planning for their young employees are actually creating Change readiness for them to work towards a goal, as well as providing an incentive to retain these employees for a very long time.

Recommendations

The recommendation made in this study flows from the findings of the study and constitutes the researcher`s advice to manufacturing industries for improving their operations and effective performance. Manufacturing industries should ensure:

- I. Employees are well motivated to be ready for change so as to gain employees commitment.



- II. There should be improvement of employees' Personal valence to adequately prepare them for eminent changes both in structure and processes in the organisation
- III. Perception of change communication of employees should be a continuous exercise. There should be ease of access to information that pertains to intended changes or an ongoing change in the organisation. This will equip the employees with the necessary message/relevant information that will help them meet the requirement of the change implementation in the organisation.

Reference

- Hayton, J. C. and Kelley, D. J. (2006), A competency-based framework for promoting corporate entrepreneurship. *Human Resource Management Journal*, 45 (3), 407-427.
- Hedlund, G (1994), 'A model of knowledge management and the N-form corporation', *Strategic Management Journal*, 15 (5), 73-90.
- Helfat, C. E. and Peteraf, M. A. (2003), The dynamic resource-based view: capability lifecycles. *Strategic Management Journal*, 24 (10), 997-1010.
- Dove, R. (2001): "The Principles of Change". *Automotive Manufacturing and Production* March, 12th.
- Ekakitie Emonena Sunny, (2005). GSM firms: What manner of competition? The Enterprise., vol. 7 No. 2 *International Journal for development published by Nigeria Research Centre for African Development and PUO Ventures Nig.* Pg. 47-48.
- Austin, M. (2003): "Managing Change". *Journal of strategic management*, Vol. 16 No.3 p 427-430.
- Omar R. M, Erzan S. B. G. M, Mahmoud K. A, (2014), Empirical Study on the Impact of Leadership Behavior on Organizational Commitment in Plantation Companies in Malaysia. 2nd World Conference on Business, Economics and Management 2013. *Procedia - Social and Behavioral Sciences* 109 (2014), 1076 – 1087.
- Donald B. F, Steven C and David M. H.(2019), The Effects of Organizational Changes on Employee Commitment: A Multilevel Investigation. *Personnel Psychology*, 59 (1), 1–29.
- Mohd H. A, Syuhaida I, Wan N. M, Wan M. R, and Mohammad H. W, (2017), Trust in management, communication and organizational commitment: Factors influencing readiness for change management in organization. *AIP Conference Proceedings* 1891, 020019 (2017); <https://doi.org/10.1063/1.5005352>.
- Adebanjo, D. (2006): "Corporate Restructuring: Managing the change problem form within "Leadership and Organization Development, *Journal* Vol. 12 No 2P. 357-359.
- Armenakis, A.A. & Harris, S.G. (2002). "Crafting a change message to create transformational readiness", *Journal Organizational Change Management*, 15(1), 69-183.
- Armenakis, A.A., Harris, S.G. & Field H.S. (1999). Making change permanent: A model of institutionalizing change interventions`, In Woodman, R.W. & Pasmore, W.A. (eds)



- Research in Organizational change and Development*, Vol. 12, Greenwich, CT: JAI Press.
- Bagherian, R., Bahaman, A.S., Asnarulkhadi, A.S. & Shamsuddin, A. (2009). Social exchange approach to people's participations in watershed Management programs in Iran, *European Journal of Scientific Research*,34(3):428-411.
- Bandura, A. & Adams, N.E (2000). "Analysis of self –efficacy theory of behavioural change", *Cognitive Therapy and research*, 1(4):287-310.
- Buchel, M. (2004): *Accelerating change, Training and Development*. 50(4), 248-251.
- Burke, W.W. and Trahan B. (2000): *Travelling Through Transitions, Training & Development Journal* Vol. 50, No. 4 p. 237-241.
- Bellou,V. (2007). 'Psychological contract assessment after a major organizational change: The case of mergers and acquisitions', *Employee Relations*, 29(1), 68-88.
- Bennebroek Gravenhorst, K.M. (2003). A different view on resistance to change. paper presented at the Power Dynamics and Organizational Change IV Symposium at the 11th EAWOP Conference in Lisbon, Portugal, 14-17 May 2003.
- Bennet, H. & Durkin, M. (2000). "The effects of organizational change on employee psychological attachment", *Journal of Managerial Psychology*, 15(2):126-147.
- Bernerth, J. (2004). "Expanding our understanding of the change message", *Human Resource Development Review*, 3(1):36-52.
- Bovey, W. & Hede, A. (2001). "Resistance to organizational change: The role of cognitive and affective processes", *Leadership and Organizational Development Journal*, 22(1):372-382.
- Chreim, S. (2006). "Postscript to change: Survivors' retrospective views of organizational changes", *Personnel Review*, 35 (3):315-335.
- Cochran, J.K., Bromley, M.L. & Swando, M.J. (2002). "Sheriff's deputies' receptivity to organizational change", *Policing*, 25:507-529.
- Coetsee, I. (1999). "from resistance to commitment", *Public Administration Quarterly*, 23:204-222.
- Cotton, J.L. & Tuttle, J.M. (2009). "Employee turnover: A meta-analysis and review with implications for research", *Academy of Management Review*, 11(1):55-70.
- Durmaz, H. (2007). Officer attitudes toward organizational change in the Turkish national police. Unpublished doctoral thesis, University of North Texas, Texas.
- Falkenburg, K. & Schyns, B. (2007): Work satisfaction, organizational commitment and withdrawal behaviours, *Management Research News*,10(11):708-723.
- Garud, R. and Van De Ven, (2001): *A strategic change process*, in Pettigrew, H; Thomas, H and Whittington, R. (eds) Handbook of strategic and management, London, Sage Publications.
- Gaertner, K.N. and Nollen, S. D. (2001), "Career experience, perceptions of employment practices and psychological commitment to the organization" *Human Relations* Vol. 42 pp. 975-91.
- Hague, S. (2005), Job satisfaction and job involvement of the mid-level industrial managers, *Dhaka University Journal of Psychology*, 19(1):33-42.
- Hendry, C. (2004) *creating whole Organization Change Through Learning Theory*, *Human Relations Journal* Vol. 49, No. 2 p. 621-639.



- Holt, D.T., Armenakis, A.A., Feild, H.S. & Harris, S.G. (2007).” Readiness for organizational change: The systematic development of a scale”, *Journal of Applied Behavioural science*, 43(2):232-255.
- Jansen, K.J. & Michael, J.H. (2010). Antecedents and consequences of change-based momentum: A longitudinal study, University of Virginia: Darden School of Business. Available at: [www.Darden.virginia.edu.../Antecedents%20consequences %20 of %20 change %20 AM J.doc](http://www.Darden.virginia.edu.../Antecedents%20consequences%20of%20change%20AMJ.doc). Accessed: 23 February (2019).
- Jones, L. Watson, B., Hobman, E., Bordia, P., Gallons, C. & Callan, V.J. (2008). “Employee perceptions of organizational change: impact of hierarchical level”, *Leadership and Organizational Development Journal*, 29(4):294-316.
- Kreitner, R. and Kinicki, A. (2005) “*Organizational Behaviour*”, 6th ed, New York: McGraw-Hill.
- Lau, C.M., Tse, D.K. & Zhou, N, (2002). “Institutional forces and organizational culture in China: Effects on change schemas, firm commitment and job satisfaction”, *Journal of International Business Studies*, 33(3):533-550.
- Maxwell, G. & Steele, G. (2003). “Organizational commitment: A case study of managers in hotels”, *International Journal of Contemporary Hospitality Management*, 15(7):362-369.
- Meyer, J.P. & Allen, N.J. (2001). “A Three component conceptualization of organizational commitment”, *Human Resources Management Review*, 1(1):61-89.
- Piderit, S.K. 2000. “Rethinking resistance and recognizing ambivalence: A multidimensional view of attitudes toward an organizational change”, *Academy of Management Review*, 25(4) 783-794.
- Salami C.G.E. (2011) *Management and Organization behaviour*. “understanding and leading people and organizations in the 21st century.
- Schwartz, A.E. (2003): “*Egypt Guidelines for Managing Change*”. Supervisor Management Review Vol. 12 No 8p. 204-312.
- Stebel, P. (2003): *Why do Employees Resist Change?* Harvard Business Review, 74(7), 86-92.
- Stallworth, L. (2004), “Antecedents and consequence of organizational commitment to accounting organizations”, *Managerial Auditing Journal*, 19(7):945-955.
- Trahant, W.W. Burke & Koonce (2005) “*Twelve Principles of Organizational Transformation*”. Management Review September, No 49 pp. 149-156.
- Vakola, M. & Nikolaou, I. (2005). “Attitudes towards organizational change: What is the role of employees, stress and commitment?”, *Employee Relation*, 27(2): 160-174.
- Visagie C.M and Steyn C. (2011). *Organizational commitment and responses to planned organizational change*. An exploratory study. Southern African Business Review. 15(3), 46-62.
- Weber, P.S. & Weber, J.E. (2001). “Change in employee perceptions during organizational change”, *Leadership and organization Development Journal*. 22(6):291-300.
- William, J. (2004). Job satisfaction and organizational commitment. Sloan Work and Family Research Network. (Online) Available at: [http://wfnetwork.be.edu/glossary/entry.php?term=Notmative%20commitmnet, %20Definition\(s\)%20 of & area-A;](http://wfnetwork.be.edu/glossary/entry.php?term=Notmative%20commitmnet,%20Definition(s)%20of%20&area-A;) Accessed: 18 November (2018).
- Yaziei, H.I. (2002). “The role of communication in organizational change” An empirical investigation”, *Information and Management*, 39:539-552.



Appendix 1 Results

variable	mean	p50	max	min	N
ptfc	3.8	4	5	1	300
perv	3.813333	4	5	1	300
chgc	3.913333	4	5	1	300
empc	3.98	4	5	1	300

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	adj chi2(2)	joint Prob>chi2
ptfc	300	0.0000	0.0474	34.62	0.0000
perv	300	0.0000	0.0037	42.54	0.0000
chgc	300	0.0000	0.0003	45.73	0.0000
empc	300	0.0000	0.4312	24.31	0.0000

	ptfc	perv	chgc	empc
ptfc	1.0000			
perv	0.4228	1.0000		
chgc	0.4348	0.4132	1.0000	
empc	0.4814	0.4983	0.5027	1.0000

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
ptfc	300	+	0.7714	0.5545	.4052471	0.7260
perv	300	+	0.7629	0.5533	.4170346	0.7251
chgc	300	+	0.7389	0.5603	.4576143	0.7242
empc	300	+	0.8080	0.6281	.3742995	0.6839
Test scale					.4135489	0.7701



Source	SS	df	MS	Number of obs =	300
Model	112.748724	3	37.582908	F(3, 296) =	65.01
Residual	171.131276	296	.578146203	Prob > F =	0.0000
				R-squared =	0.3972
				Adj R-squared =	0.3911
Total	283.88	299	.949431438	Root MSE =	.76036

empc	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
ptfc	.2297727	.0502136	4.58	0.000	.1309518 .3285936
perv	.2792421	.0517387	5.40	0.000	.1774198 .3810645
chgc	.3318926	.0613356	5.41	0.000	.2111835 .4526016
_cons	.7432142	.2388798	3.11	0.002	.2730961 1.213332

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance
Variables: fitted values of empc

chi2(1) = 13.05
Prob > chi2 = 0.2203

. estat ovtest

Ramsey RESET test using powers of the fitted values of empc

Ho: model has no omitted variables
F(3, 293) = 1.58
Prob > F = 0.1950

. estat vif

Variable	VIF	1/VIF
ptfc	1.35	0.739662
chgc	1.34	0.746930
perv	1.32	0.756361
Mean VIF	1.34	