EFFECT OF EMPLOYEE RESISTANCE TO TRANSFORMATIONAL CHANGE ON THE PERFORMANCE OF MANUFACTURING FIRMS IN FOOD AND BEVERAGE ORGANIZATIONS IN NIGERIA

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Abstract

One of the most baffling and recalcitrant of the problems which business executives face is employee resistance to change, which can actually cripple an organization. This study examined the effect of employee resistance to transformational change and its implication on organizational performance in food and manufacturing firms in Enugu state, Nigeria. The objectives of the study were to examine the effect of transformational change on employees’ commitment in achieving organizational goals; ascertain the effect of transformational change on employees morale; and to identify strategies for addressing employees’ resistance to change during transformational change. The study period was between 2015 and 2017. The primary data were obtained with the use of questionnaire. Sample size of three hundred and eighteen (318) respondents were drawn from a population of one thousand, five hundred and sixty-three (1,563). The data were analyzed using frequency, tables, and percentages. The hypotheses were tested using z-test, chi-square and Pearson correlation. It was revealed that transformational change has significant effect on employees’ commitment with $z(\text{cal}) = 14.38 > z (\alpha/2) = 1.96$ ; $p < .05$. It was also found that transformational change has significant effect on employees’ morale with $r = 0.969, t = 3.477$. It was indicated that strategies for addressing employees’ resistance to change can significantly reduce resistance to change. It was shown with value of $z(\text{cal}) = 14.12 > z (\alpha/2) = 1.96$. SPSS chi-square tests results showed that $X^2_c = 52.348 > X^2_t = 21.0$. Employees putting up resistance to the process can have some negative effects for the company in question if they are not addressed in a timely manner. It was recommended among others that change managers should employ strategies to successfully manage the employees’ side of change in order to avoid resistance to change. The implication of the study is that in today’s dynamic environment organizational change is indispensible for every organization to proceed and prosper in ever changing business environment and any organization who refuses to change will become dinosaur.

Keywords: Resistance, Manufacturing, Performance, Transformational Change

Introduction

The business landscape of the 21st century is characterized by transformational change brought about due to economic, technological, political and social changes. The pace of change is so rapid and the degree of obsolescence if organizations resist change is so brutal that they neither change nor perish. Technological advancement, the information, globalization and the environmental effects have forced organizations to change the way they do business and interact with their environment. For this, organizations that will not make changes part of their strategic risk are left behind,
forgotten, and competitors may drive them out of business or may face possible closure. It therefore, becomes necessary that organizations develop the capabilities to adapt and steer change in their competitive advantage.

Team spirit is the catalyst every organization needs to achieve outstanding performance. Strategic plans, marketing, technology and capital investment are clearly important, but emotional commitment of the people using the tools and executing the plans is what determines whether companies sink or soar (Okechukwu, Ejiunume and Enudu, 2015). Team spirit is a desirable trait for any work group. Responsibility for managing change is with management and executives of the organization. They must manage the change in such a way that employees can cope with it. The manager has the responsibility to facilitate and enable change, and all that is implied within that statement, especially to understand the situation from an objective standpoint, and then to help people understand reasons, aims, and ways of responding positively according to employees’ own situations and capabilities.

Change such as new structures, policies, targets, acquisitions, disposals, re-locations, etc., all create new systems and environments, which need to be explained to individual employee as early as possible, so that people's involvement in validating and refining the changes themselves can be obtained (Okechukwu, et al. 2015). The effects of these multiple and transformational changes produce complex and often ambivalent results. As a result, change can lead to an improvement in product quality and productivity but also to lower morale and commitment among the workforce (Gilmore, Shea, & Useem, 2014). Major changes in individuals’ situations are powerful enough to produce significant changes in these individuals’ attitudes and sense of well-being.

Statement of the problem

The successful implementation of new work methods and practices is dependent upon the willing and effective cooperation of employees, managerial colleagues and unions. One of the most baffling and recalcitrant of the problems which business executives face is employee resistance to change, which can actually cripple an organization. Such resistance may take a number of forms - persistent reduction in output, increase in the number of quits and requests for transfer, chronic quarrels, sullen hostility, wildcat or slowdown strikes, and expression of a lot of pseudo logical reasons why the change will not work. Some employees put up resistance to the process, which can have some negative effects for the company in question. These effects can be widespread and may affect the morale of the staff if they are not addressed in a timely manner. Any change in an organization or to an employee's role has the potential to cause stress. The stress can be overwhelming when an employee is also dealing with a mental health issue such as anxiety or depression. With the foregoing it becomes pertinent to examine the effects of employee resistance to transformational change and its implication on organizational performance in food and manufacturing firms in Enugu state.

Objectives of the Study

The broad objective was to examine effect employee resistance to transformational change and employee performance in food and manufacturing firms in south eastern states of Nigeria. The specific objectives are:

(i) To examine the effect of transformational change on employees’ commitment in achieving organizational goals in food and manufacturing firms in Enugu state.

(ii) To ascertain the effect of transformational change on employees’ morale in achieving organizational goals in food and manufacturing firms in Enugu state.

(iii) To identified strategies for addressing employees’ resistance to change during transformational change in food and manufacturing firms in Enugu state.

Research Questions

(i) What are the effects of transformational change on employees’ commitment in achieving organizational goals in food and manufacturing firms in Enugu state?

(ii) What are the effect of transformational change on employees’ morale in achieving organizational goals in food and manufacturing firms in Enugu state?
What are strategies for addressing employees’ resistance to change during transformational change in food and manufacturing firms in Enugu state?

Statement of Hypotheses

(i) Ho: Transformational change has no significant effect on employees’ commitment in achieving organizational goals in food and manufacturing firms in Enugu state.

(ii) Ho: Transformational change has no significant effect on employees’ morale in achieving organizational goals in food and manufacturing firms in Enugu state.

(iii) Ho: Strategies for addressing employees’ resistance to change cannot significantly reduce resistance during transformational change in food and manufacturing firms in Enugu state.

Review of Related Literature

Concept of Organizational Change

The world is changing and so does the business market and prerequisites all the time. The organizational capability to be flexible and to anticipate the market is more crucial today than a few years ago. Organizations that cannot cope with such conditions and undergo difficulties with change management will have a hard time surviving the market. Organizational change is undertaken to improve the performance of the organization or a part of the organization. Because change impacts people so personally, employees must be involved in it to garner their support; and the earlier the better. Employee resistance is always in direct proportion to the degree to which people are kept in the dark and out of the change process. Change means series of events which supports the process of development in organizations (Kassim, Tahajuddin, Shahzad, Isa, & Mat, 2010). Organizational change generally means rightsizing, new development and change in technologies, rescheduling operations and major partnerships (McNamara, 2011). Organizational change includes mission changes, strategic changes, operational changes (including structural change), technological changes, changing the attitudes and behaviours of personnel’s, counter resistance from different employees of companies and align them to strategic directions of the organization.

Organizational change is both the process in which an organization changes its structure, strategies, operational methods, technologies, or organizational culture to affect change. In the business world, transformational change involves a company making a radical change in its business model, often requiring changes in company structure, culture and management (Magloff, 2017). Companies may undergo transformational change in response to crisis, or in order to reposition themselves in the market. Transformational change may also occur in response to changes in technology, or as companies adapt to take advantage of new business models. These changes often are associated with significant revision of the firm’s business strategy, which in turn may require modifying internal structures and processes as well as its corporate culture to support the new direction (Cummings and Worley, 2015).

Types of Change

The type of change organizations are experiencing, and the reasons for it, will influence the way they plan the change process. Business Queensland, (2017) identifies three distinct types to include:

Developmental change

Developmental changes are those organizations make to improve current business procedures. Examples of developmental change include:

(i) improving existing billing and reporting methods
Transitional change

Transitional changes are those organizations make to replace existing processes with new processes. Transitional change is more challenging to implement and can increase employees’ discomfort. The transitional phase of dismantling old systems and processes and implementing new ones can be unsettling for staff. Examples of transitional change include:

(i) experiencing corporate restructures, mergers or acquisitions
(ii) creating new products or services
(iii) implementing new technology.

Transformational change

Transformational changes are the ones organizations make to completely reshape their business strategy and processes, often resulting in a shift in work culture. These changes may be a response to extreme or unexpected market changes. Transformational change can produce fear, doubt and insecurity in staff, and needs to be very well managed. Transformational changes usually involve both transitional and developmental change; where businesses recognize that they need to overhaul the way they do business. Examples of transformational change include:

(i) implementing major strategic and cultural changes
(ii) adopting radically different technologies
(iii) making significant operating changes to meet new supply and demand
(iv) reforming product and service offerings to meet unexpected competition and dramatic reductions in revenue.

There are several types of change that an organization can adopt to help them achieve desired future status. In general, the types of change fall into two broad categories:

Evolutionary change

Its main purpose is to make continuous improvement in order to adjust to the environment changes.

Revolutionary change

Revolutionary change is rapid, dramatic, and broadly focused. There are also three important types of revolutionary change: reengineering, restructuring, and innovation (George, & Jones, 2012).

Employee Performance

Employee performance is vital for the success of every organization and profitability in this dynamic environment (Chien, 2004). Nowadays organizations require employees who contribute more than their job scope and far from goals expectations. Most of the organizations coping with contemporary challenges put more emphasis on employee performance (Gruman & Saks, 2011). Firms like manufacturing sector invests more on their work force in order to maintain long term relationship with them and to increase their performance along with job satisfaction (Karatepe, Uludag, Menevis, Hadzimehmedagic, & Baddar, 2006). Downsizing, mergers, innovations and restructuring of the organizations usually decrease employee’s performance. In additions to that, task, quantity and quality, changing location and time constraints radically affect the work life of employees (Tavakolia, 2010). Nowadays, many companies are facing current challenges and need to put more concentration on increasing employees’ performance. Hence, to connect in valuable performance, managers need to let employees to have more power to design their jobs and roles. Thus, employees will find their jobs more fit between employees' needs, skills and values (Gruman & Saks, 2011).

Employee Commitment and Participation

Commitment is generally viewed as the employees’ emotional attachment and identification with the organization, and their strong desire to maintain membership with the organization. Employee commitment is also viewed as being a
key prerequisite for the effective execution of projects, operational processes and the successful implementation of organizational change programmes. It has particular significance for the successful accomplishment of all types of projects. Reichheld (1996) states that “loyalty is by no means dead, it remains one of the great engines of business success.”

Commitment links the identity of the individual to the entity. Meyer and Allen (1997) posit that commitment is a psychological state that characterizes the employee’s relationship with the organization and has implications for the decision to continue membership in the organization. Meyer and Allen (1997) extend the meaning of commitment as referring to the employee’s emotional attachment to, identification with, and involvement in the organization, and the employee’s feeling of obligation to remain with the organization taking into consideration the costs that the employee associates with leaving it.

**Employee Morale**

Employee morale, in human resources, is defined as the job satisfaction, outlook, and feelings of well-being an employee has within a workplace setting. Proven to have a direct effect on productivity, it is one of the cornerstones of business. Business dictionary (2017) defines employee morale refers to the emotions, attitude, satisfaction, and overall outlook of employees during their time in a workplace environment. Part of effective productivity is thought to be directly related to the morale of the employees. Employees that are happy and positive at work are said to have positive or high employee morale. Companies that maintain employees who are dissatisfied and negative about their work environment are said to have negative or low employee morale.

One of the primary tasks of a manager is to keep the morale of team members high. Workers are at their most productive in a positive environment and every organization would like its employees to stay motivated so that they perform their duties enthusiastically. This is especially true when economic or market conditions are difficult (Kapur, 2017). A dedicated and industrious employee can be the key factor that can take a company ahead of its competitors. Employees will give greater attention to their tasks if they are aware of the importance of the role they are playing. It is essential for every organization to provide a safe and comfortable working environment, modern and up-to-date equipment, and all the other facilities that will enable workers to carry out their tasks efficiently (Kapur, 2017). Good morale is evidenced by employee enthusiasm, voluntary confirmation with regulations and orders, and a willingness to co-operate with others in the accomplishment of an organization’s objectives. Poor morale is evidenced by surliness, insubordination, a feeling of discouragement and dislike of the job, company and associates.

**Employees Resistance to Change**

Resistance to change is the action taken by individuals and groups when they perceive that a change that is occurring as a threat to them. O’Connor, (1996) defines resistance to change as opposition or withholding of support for specific plans or ideas. It can be intentional or unintentional, covert or overt. Resistance can be covert so that lack of support for change is either concealed or unidentified. It can also be overt so that those who resist change express their point of view openly and offer their reasons for disagreement. Resistance is considered as a standard and even natural reaction to change (Bennebroek 2003). In this respect, resistance has a negative connotation and is seen as something that should be overcome by managers in the process of change.

Indeed, resistance to change has many manifestations that can hinder organizational goals such as lack of cooperation, apathy, frustration, grievances or strikes. Lack of commitment, leadership inaction, inadequate planning, and failure to identify the real reason for change, are among the long list of factors that are acknowledged as contributors to organizational change failures. Resistance to change manifests itself in many ways, from foot-dragging and inertia to petty sabotage to outright rebellions. The best tool for leaders of change is to understand the predictable, universal sources of resistance in each situation and then strategize around them.

**Reasons for Employee Resistance to Change in the Workplace**

*Loss of Job*

This is a major reason why employees resist change. In an organizational setting, any process, technological advancement, systems, or product change will include streamlining, working smarter, cost reduction, efficiency, faster turnaround times. All these means staff and managers will resist the changes that result in their roles being eliminated
or reduced. Whatever the change, any disgruntled employees will view it as having a negative impact on both the organization and them personally (Belcher, 2016).

**Bad Communication Strategy**

The way in which any change process is communicated to employees within the organization determines their reactions. If the manager cannot communicate what, why, how, when, who and what success will look like or how success is going to be measured, then, resistance is expected.

**Shock and Fear of the Unknown**

Employees’ responses to organizational change can range from fear and panic to enthusiastic support. During periods of change, some employees may feel the need to cling to the past because it was a more secure, predictable time. If what they did in the past worked well for them, they may resist changing their behaviour out of fear that they will not achieve as much in the future. The less the organization knows about the change and its impact on them, the more fearful they become. In the absence of continuing a two-way communication with leadership, grapevine rumours will fill the void and sabotage any change effort.

**Loss of Control**

Familiar routines help employees develop a sense of control over their work environment. Being asked to change the way they operate may make employees feel powerless and confused. People are more likely to understand and implement changes when they feel they have some form of control.

**Lack of Competence**

Sometimes, change in organizations requires changes in skills, and some people will feel that they would be able to make the transition well. Therefore, the only way for them to try and survive is to kick against the change. Some employees are just hesitant to try new routines, so they express an unwillingness to

**Poor Timing**

Undue resistance can occur because changes are introduced in an insensitive manner or at an awkward time. Change must be introduced when there are no other major initiatives going on. Sometimes it is not what a leader does, but it is how, when and why she or he does it that creates resistance to change.

**Lack of Reward**

Organizational employees will resist change when they do not see anything in it for them in terms of rewards. Without ‘WIIFM’ or a reward, there is no motivation to support the change over the long run.

**Office Politics**

Every organisation has its own share of in-house politics. So, some employees resist change as a political strategy to “show or prove” that the change decision is wrong. They may also resist showing that the person leading the change is not up to the task. These employees are committed to seeing the change effort fail.

**Loss of Support System**

Employees already in their comfort zones, working with the managers they get along with, and who are operating within predictable routines know their support system will back them up during challenging times. Changing the organizational structures may shake their confidence in their support system. They may worry about working for a new supervisor, in a new team, or on unfamiliar projects because they fear that if they try and fail, there will be no one there to support them.

**Former Change Experience**

Employee’s attitudes about change are partly determined by the way they have experienced change in the past. For instance, if in the organisation, they have handled change badly in the past, the employees will have good reasons for rebelling.
Empathy and Peer Pressure

Organizational stakeholders will resist change to protect the interests of a group, team friends, and colleagues. This could be purely because they sympathise with their friends because of the change that has been thrust at them. Managers too will resist change to protect their work groups or friends. All these behaviours can sabotage the success of any change.

Lack of trust and support

Successful organizational change does not occur in a climate of mistrust. Trust, involves faith in the intentions and behaviour of others. In organizations where there is a high degree of trust and each individual employee is treated with respect and dignity, there is less resistance to change. Mutual mistrust will be the bane of an otherwise well planned change initiative. If an organisation is seen as being untrustworthy as demonstrated sometime in the past, so why would any employee trust such an organisation? Any sweeping changes on the job can cause employees to fear for their roles in the organisation. For this reason, a well planned outplacement support should be in place to manage and assist employees. Employees resist change because they are worried that they may not find another job easily and quickly.

Negative Effects of Resistance to Change to an Organization

Some employees put up resistance to the process, which can have some negative effects for the company in question. These effects can be widespread and may affect the morale of the staff if they are not addressed in a timely manner. Belcher (2016) identified the effects of resistance as follows:

Lower Morale

When staffers resist a change taking place at work, they may feel less optimistic and hopeful about their professional future with the company. Among other negative effects of resistance to change, lowered morale can spread throughout the entire staff, which can in turn cause issues with both recruiting and retention.

Lessened Efficiency

When employees spend time focusing on resisting the changes taking place in the workplace, they become less focused on doing the daily tasks associated with their jobs. This leads to a reduced level of efficiency and output among staff, which can affect the company's bottom line.

Disruptive Work Environment

Employees resisting changes may cause commotions with outbursts regarding the changes or a combative attitude with management staff. They may spread that same negativity among other staff members, encouraging them to act in a similar manner, which can, in turn, end up causing greater unrest among staffers.

Strategies for Managing Resistance to Change

After identifying the types of change resistance present in an organization, a mix of strategies may be employed to counter the negative forces. Jacoby (2011) identifies six classic strategies for dealing with change resistance within an organization.

Education & Communication

Among the best ways to overcome resistance to change in an organization is to educate people about the change effort beforehand. Up-front communication and education helps employees see the logic in the change effort. This reduces unfounded and incorrect rumors concerning the effects of change in the organization.

Participation & Involvement

When employees are involved in the change effort they are more likely to buy into change rather than resist it. This approach is likely to lower resistance more so than merely hoping people will acquiesce to change.

Facilitation & Support
Managers can head-off potential resistance by being supportive of employees during difficult times. Managerial support helps employees deal with fear and anxiety during a transition period. This approach is concerned with provision of special training, counseling, time off work.

**Negotiation and Agreement**

Managers can combat resistance by offering incentives to employees not to resist change. This can be done by allowing change resisters to veto elements of change that are threatening, or change resisters can be offered incentives to go elsewhere in the company in order to avoid having to experience the change effort. This approach will be appropriate where those resisting change are in a position of power.

**Manipulation and Cooptation**

“Cooptation” (no it’s not misspelled) involves the patronizing gesture of bringing a person into a change management planning group for the sake of appearances rather than their substantive contribution. This often involves selecting leaders of the resisters to participate in the change effort. These leaders can be given a symbolic role in decision making without threatening the change effort.

**Explicit and Implicit Coercion**

Managers can explicitly or implicitly force employees into accepting change by making clear that resisting change can lead to losing jobs, firing, or not promoting employees. Kotter and Cohen (2012) argue that change initiatives often fail because leaders rely too exclusively on data and analysis to get buy-in from their teams instead of creatively showing or doing something that appeals to their emotions and inspires them to spring into action.

**Theoretical Framework**

Kotter (1998) developed a model which should be used at the strategic level of an organization to change its vision and subsequently transform the organization. The change process goes through a set of eight phases. Each phase lasts a certain amount of time and mistakes at any phase can impact the success of the change. Kotter (1998) eight step approaches to change management are as follows:

**Increasing urgency**

It is the leaders’ role to inspire people to move, make objectives real, workable and relevant.

**Build the guiding team**

The right mix of people with needed mix of skills must be assembled in the right place with the right emotional commitment. Lofquist and Dawis (2011) posit that employees’ motivation levels and job satisfaction depend on the fit between their needs and abilities and the characteristics of the job and the organization. An internal organizational structure that is responsive to the needs of the strategic change must be developed. Also, the manager must select people with the skills required for the execution and implementation of the strategic change for the key positions. Thus, a capable management team must be assembled to implement the change.

**Get the vision right**

The leader must establish a simple vision and strategy for the team and focus on emotional and creative aspects necessary to drive service and efficiency. Development of strategies requires the possession of high visionary, analytical and entrepreneurial abilities whereas the implementation requires the possession the skills of working through and with others, organizing and motivating, that is, (performance of the managerial functions of planning, organizing, directing and controlling).

**Communicate for buy-in**

Communication can help dissipate some fears of unknown elements. Moorhead and Griffin (1996) maintain that if resistance is based on inaccurate or inadequate information, a program of communication about the change may be appropriate.
Empowers action

Mullins (2001) asserts that the ideas of job redesign and self-regulating work groups have crystallized around two related concepts – empowerment and Team working. Both are attempts to redesign work to get the best out of committed, expert and innovative employees. Mullins (2001) defines empowerment as the process of devolving decision-making responsibility and autonomy across and down the hierarchy. Resistance may be reduced when those affected by the change are involved in designing it. Moorhead (1996) opines that if staff is kept fully informed of proposals, are encouraged to adopt a positive attitude and personal involvement in the implementation of the change, there is greater likelihood of their acceptance of the change. The introduction is more likely to be effective with a participative style of managerial behaviour.

Create short-term wins

Objectives that are easy to achieve should be set, aims that are easy to achieve - in bite-size chunks. Manageable numbers of initiatives. The current stages should be finished before starting new ones.

Don't let up

The manager should foster and encourage determination and persistence.

Make change stick

Reinforcing the value of successful change via recruitment, training, promotion, and separation. The essence of Kotter (1998) eight-step principles and message is that the reason why so many change initiatives fail is that they rely too much on "data gathering, analysis, report writing, and presentations instead of a more creative approach aimed at grabbing the feelings that motivate useful action."

Empirical Review

Ahmed, Rehman, Asad, Hussain & Bilal (2013) analyzed the impact of organizational change towards employee performance in the banking sector of Pakistan. In this study Primary and secondary data collection techniques were used for obtaining data. Questionnaires were used for primary data collection. Leadership, communication, procedural justice, employee development, tolerance to change are the variables considered for this study. Descriptive statistics and correlation analysis techniques were used for the analysis of data in SPSS software. The results show that organizational change has a positive significant impact on employee’s performance in banking sector of Pakistan. Mahdi, GulamMohd, & Almsafi (2014) carried out a study to examine the impact of employees’ perceptions of their immediate supervisors’ supportive and directive leadership behaviour and different types of organizational commitment in plantation companies in Malaysia. The study adopted a survey approach to collect the primary data. The analyses made use of SPSS (version 18) program for Windows to carry out the dissipative statistical analysis. The statistic results found that there are significant strong relationship between the leadership behaviour and the organizational commitment. More importantly, there are significant impacts of the leadership behaviour on organizational commitment. In addition, supportive and directive leadership behaviours do play important roles in determining the levels of employee's commitment.

Olajide (2014) examined empirically changes in technology and its effects on organizational performance of Nigerian telecoms industries. In conducting this study, a total of 300 staff of Airtel were randomly selected from a staff population of 1000. Data collected for the study were analyzed using One-way Analysis of Variance. The result revealed that changes in technology have a significant effect on performance and that changes in customer taste has a significant effect on customer’s patronage. The result also shows that changes in management via leadership have a significant effect on employee’s performance. The study recommended that telecoms industries in Nigeria should be proactive to changes in such a competitive environment so as to experience smooth implementation of such changes. Change managers should therefore successfully manage the human side of change in order to avoid resistance to change using the appropriate change strategies, thus, enhancing overall performance of the industry.

Sofat, & Kaushik (2015) examined employees’ perception and their commitment towards their organizations. The data was collected from 212 employees in 6 major IT companies in Northern India. A structured questionnaire comprising of two sections was distributed to 1000 employees. The correlation analysis was used and it was found that initiatives taken during organizational change were correlated significantly to organization commitment. Through regression analysis it was found that there is a positive relationship between the perception of employees regarding
appropriateness of reasons and manner in which organizational change initiatives are taken in the IT companies under study and the commitment.

Brown, Gray, McHardy, & Taylor (2015) explored the relationship between employee trust of managers and workplace performance. Theoretical framework serves to establish a link between employee trust and firm performance as well as to identify possible mechanisms through which the relationship may operate. Workplace and employee data were matched to ascertain whether the average level of employee trust within the workplace influences workplace performance. The correlation analysis was used to analyse the role of average employee trust in influencing workplace performance in both pre- and post-recessionary periods. The findings support a positive relationship between three measures of workplace performance (financial performance, labour productivity and product or service quality) and average employee trust at both points in time. We then exploit employee level data from the WERS to ascertain how individual level trust of the employee (rather than the average within the workplace) is influenced by measures taken by employers to deal with the recent recession. The findings suggest that restricting paid overtime and access to training potentially erode employee trust. In addition, that job or work reorganisation experienced at either the employee or organisation level is associated with lower employee trust.

Research Methodology

The study was carried out in Enugu state between 2015 and 2017. For convenience, the sample was drawn from Nigeria Bottling Company Plc, Nigeria Breweries and Innoson Technical and Industrial Co. Ltd Enugu. The primary data were obtained with the use of questionnaire. The study adopted stratified random sampling technique. Sample size of three hundred and eighteen (308) respondents were drawn from a population of one thousand, five hundred and sixty-three (1,563). The data obtained were analyzed using frequency distribution tables, percentages, mean and the hypotheses tested using z-test, chi-square and Pearson correlation. The likert-type scale which has five levels or category was adopted and used. Each level is assigned a number ranging from 5 to 1. The mean value of 3.00 is computed; which means that any factor or variable with a mean of 3.00 or above were accepted while all others with a mean below 3.00 were rejected.

Data Presentation and Analysis

**Table 4.1: Distribution and Return Rate of Respondents**

<table>
<thead>
<tr>
<th>Categories of Employees</th>
<th>Copies of questionnaire sent out</th>
<th>Copies of questionnaire returned</th>
<th>Copies of questionnaire not returned</th>
<th>Percentage of returned and verified copies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innoson Tech. and Ind.</td>
<td>52</td>
<td>45</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Nigeria Bottling Co.</td>
<td>89</td>
<td>64</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Nigeria Breweries</td>
<td>172</td>
<td>154</td>
<td>23</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>308</strong></td>
<td><strong>263</strong></td>
<td><strong>55</strong></td>
<td><strong>83</strong></td>
</tr>
</tbody>
</table>

Source: Analysis from the Questionnaire, 2017

From Table 4.1 it was shown that out of the total number three hundred and eight (308) questionnaire administered, two hundred and sixty-three (263) of them were returned giving a percentage of 83% while eleven(55) of them were not returned giving a percentage of 17%.
Table 4.2: Mean Responses on Effect of Transformational Change on Employees’ Morale

<table>
<thead>
<tr>
<th>Options</th>
<th>SA (5)</th>
<th>A (4)</th>
<th>UD (3)</th>
<th>SD (2)</th>
<th>D (1)</th>
<th>N</th>
<th>X</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Morale</td>
<td>162</td>
<td>85</td>
<td>2</td>
<td>5</td>
<td>9</td>
<td>263</td>
<td>4.47</td>
<td>Accepted</td>
</tr>
<tr>
<td>Lessened Efficiency</td>
<td>99</td>
<td>70</td>
<td>4</td>
<td>56</td>
<td>34</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Disruptive Work Environment</td>
<td>118</td>
<td>88</td>
<td>5</td>
<td>35</td>
<td>17</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Lack of Commitment</td>
<td>151</td>
<td>61</td>
<td>4</td>
<td>37</td>
<td>10</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Loss of job</td>
<td>87</td>
<td>100</td>
<td>0</td>
<td>25</td>
<td>51</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Lacks initiative</td>
<td>45</td>
<td>18</td>
<td>0</td>
<td>92</td>
<td>108</td>
<td>263</td>
<td>2.2</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Source: Field Survey 2017

In the table 4.2 mean responses from 3.00 and above were accepted as effects of Transformational Change on Employees’ Performance, while mean response below 3.00 were rejected.

Table 4.3 Mean Responses on Negative Effect of Employees’ Resistance to Transformational Change in Achieving Organizational Goals

<table>
<thead>
<tr>
<th>Options</th>
<th>SA (5)</th>
<th>A (4)</th>
<th>UD (3)</th>
<th>SD (2)</th>
<th>D (1)</th>
<th>N</th>
<th>X</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disengagement</td>
<td>152</td>
<td>90</td>
<td>0</td>
<td>8</td>
<td>13</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Effect recruiting/retention</td>
<td>73</td>
<td>91</td>
<td>7</td>
<td>68</td>
<td>24</td>
<td>263</td>
<td>3.45</td>
<td>Accepted</td>
</tr>
<tr>
<td>Decline in profits</td>
<td>126</td>
<td>78</td>
<td>0</td>
<td>39</td>
<td>20</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Lessened Efficiency</td>
<td>95</td>
<td>96</td>
<td>10</td>
<td>44</td>
<td>18</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Disruptive Environment</td>
<td>55</td>
<td>118</td>
<td>5</td>
<td>55</td>
<td>30</td>
<td>263</td>
<td>3.42</td>
<td>Accepted</td>
</tr>
<tr>
<td>Economic Crisis</td>
<td>48</td>
<td>149</td>
<td>0</td>
<td>51</td>
<td>15</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Dismissal</td>
<td>13</td>
<td>143</td>
<td>7</td>
<td>80</td>
<td>20</td>
<td>263</td>
<td>3</td>
<td>Accepted</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>32</td>
<td>20</td>
<td>0</td>
<td>92</td>
<td>119</td>
<td>263</td>
<td>2</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Source: Field Survey 2017

In the table 4.3 mean responses from 3.00 and above were accepted as negative effect of Employees’ Resistance to Transformational Change in achieving organizational goals, while mean response below 3.00 were rejected.
Table 4.4: Mean Responses on Strategies for Addressing Employees’ Resistance

<table>
<thead>
<tr>
<th>Options</th>
<th>SA (5)</th>
<th>A (4)</th>
<th>UD (3)</th>
<th>SD (2)</th>
<th>D (1)</th>
<th>N</th>
<th>X</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>145</td>
<td>96</td>
<td>8</td>
<td>11</td>
<td>3</td>
<td>263</td>
<td>4.4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Education/Communication</td>
<td>130</td>
<td>60</td>
<td>0</td>
<td>31</td>
<td>22</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Participation/involvement</td>
<td>88</td>
<td>138</td>
<td>0</td>
<td>9</td>
<td>28</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Support and Facilitation</td>
<td>113</td>
<td>76</td>
<td>5</td>
<td>54</td>
<td>15</td>
<td>263</td>
<td>4</td>
<td>Accepted</td>
</tr>
<tr>
<td>Agreement &amp; Negotiation</td>
<td>63</td>
<td>110</td>
<td>5</td>
<td>55</td>
<td>30</td>
<td>263</td>
<td>3.46</td>
<td>Accepted</td>
</tr>
<tr>
<td>Co-optation &amp; Manipulation</td>
<td>48</td>
<td>149</td>
<td>0</td>
<td>51</td>
<td>15</td>
<td>263</td>
<td>3.6</td>
<td>Accepted</td>
</tr>
<tr>
<td>Coercion</td>
<td>23</td>
<td>43</td>
<td>7</td>
<td>70</td>
<td>120</td>
<td>263</td>
<td>3</td>
<td>Accepted</td>
</tr>
<tr>
<td>Dismissal</td>
<td>10</td>
<td>22</td>
<td>92</td>
<td>139</td>
<td>263</td>
<td>1.8</td>
<td></td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Source: Field Survey 2017

Test of Hypotheses

Hypothesis one

Ho: Transformational change has no significant effect on employees’ commitment in achieving organizational goals in food and manufacturing firms in Enugu state.

Table 4.4 Transformational Change has significant Effect on Employees Commitment

<table>
<thead>
<tr>
<th>Responses</th>
<th>Innoson Tech. Ind.</th>
<th>Nigeria Bottling Co.</th>
<th>Nigeria Breweries</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Great extent</td>
<td>22</td>
<td>35</td>
<td>72</td>
<td>129</td>
<td>49</td>
</tr>
<tr>
<td>Large Extent</td>
<td>20</td>
<td>24</td>
<td>75</td>
<td>119</td>
<td>45</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Very Low Extent</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Low Extent</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>64</td>
<td>154</td>
<td>263</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2017

Table 4.4 shows the responses on whether transformational change has significant effect on employees commitment on the performance of manufacturing firms in Enugu state. 129 respondents (49%) out of 263 respondents opined to a very large extent, 119 (45%) respondents asserted to a large extent, 15 (6%) respondents opined to a very low extent, while 7(3%) respondents indicated to a low extent. Drawing from table 4.4, 248 (94%) respondents indicated that to an extent transformational change has significant effect on employees’ commitment on performance; while 15 (6%) respondents opined to low extent. This was tested using the Z test at 5% (0.05) level of significance. The probability Po represents respondents that opined to a very large extent that transformational change has significant effect on employees’ commitment on the performance of manufacturing firms in Enugu state. The hypothesis was formulated as thus:

\[
H_0 \quad P = P_0 \\
H_1 \quad P \neq P_0
\]

Level of significance = 5% or 0.05. Critical value \( Z (\alpha /2) \) and \( -Z (\alpha /2) = \pm 1.96 \). From table 4.4 we have:

\[
n = 263 \text{ (sample size)} \\
x = \text{no of successes} = 248 \\
P_0 = \text{sample proportion}
\]

\[
\therefore P_0 = \frac{X}{n} = \frac{248}{263}
\]
\[ P = 50\% = 0.5 \]

Calculate Z-test statistic:

\[
Z = \frac{0.943 - 0.5}{\sqrt{\frac{0.5(1 - 0.5)}{263}}} = \frac{0.443}{0.0308} = 14.38
\]

Since \( Z_{\text{cal}} = 14.38 > Z(\alpha/2) = 1.96 \), we reject the null hypothesis and accept the alternative hypothesis that transformational change has significant effect on employees’ commitment on the performance of manufacturing firms in Enugu state.

**Table 4.5: SPSS Chi-Square Tests Result for Hypothesis One**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp.Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>47.821</td>
<td>8</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>35.632</td>
<td>8</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear</td>
<td>18.556</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Association</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No of Valid Cases</td>
<td>254</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Results

From table 4.5, it was revealed that the respondents indicated transformational change has significant effect on employees’ commitment on the performance of manufacturing firms in Enugu state. \( X^2_{c} = 47.821 > X^2_{1} = 18.556 \) at 8 degrees of freedom and 0.05 level of significance. The null hypothesis is rejected; while the alternate hypothesis is accepted. Thus, transformational change has significant effect on employees’ commitment.

**Hypothesis Two**

\( H_0: \) Transformational change has no significant effect on employees’ morale in achieving organizational goals in food and manufacturing firms in Enugu state.

**Table 4.6: Pearson Moment Correlation for Hypothesis Two**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std Error of the Estimate</th>
<th>F Change</th>
<th>T</th>
<th>Beta</th>
<th>D.W</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.069</td>
<td>.940</td>
<td>.25463</td>
<td>3657.411</td>
<td>3.477</td>
<td>0.969</td>
<td>0.503</td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Result
The null hypothesis is rejected while the alternate hypothesis is accepted. Thus, transformational change has no significant effect on employees’ morale in achieving organizational goals in food and manufacturing firms in Enugu state with \( r = 0.969, t = 3.477 \).

**Hypothesis Three**

Ho: Strategies for addressing employees’ resistance to change cannot significantly reduce resistance during transformational change in food and manufacturing firms in Enugu state.

### Table 4.7: Strategies for Addressing Employees’ Resistance to Change can significantly Reduce Resistance to Change

<table>
<thead>
<tr>
<th>Responses</th>
<th>Innoson Tech. Ind.</th>
<th>Nigeria Bottling Co.</th>
<th>Nigeria Breweries</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>42</td>
<td>60</td>
<td>144</td>
<td>246</td>
<td>94</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>3</td>
<td>4</td>
<td>10</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>64</td>
<td>154</td>
<td>263</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2017

From table 4.7 we have:

- \( n = 263 \) (sample size)
- \( x \) = no of successes = 246
- \( P_o \) = sample proportion
  \[ P_o = \frac{X}{n} = \frac{246}{263} = 0.935 \]
- \( P = 50\% = 0.5 \)

Calculate Z-test statistic:

\[
Z = \frac{0.935 - 0.5}{\sqrt{\frac{0.5 (1 - 0.5)}{263}}} = \frac{0.435}{0.0308} = 14.12
\]

Since \( Z_{cal} = 14.12 > Z (\alpha/2) = 1.96 \), we reject the null hypothesis and accept the alternative hypothesis that strategies for addressing employees’ resistance to change can significantly reduce resistance to change in food and manufacturing firms in Enugu state.

### Table 4.8: SPSS Chi-Square Tests Results for Hypothesis Three

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp.Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>52.348(a)</td>
<td>8</td>
<td>.000</td>
</tr>
</tbody>
</table>
From the table 4.8, respondents indicated that strategies for addressing employees’ resistance to change can significantly reduce resistance to change in food and manufacturing firms in Enugu state with $X^2 = 52.348 > X^2_t = 21.0$ at 8 degrees of freedom and 0.05 level of significance. The null hypothesis is rejected while the alternate hypothesis is accepted. Thus, strategies for addressing employees’ resistance to change can significantly reduce resistance to change in food and manufacturing firms in Enugu state.

Summary of Findings

- It was revealed that transformational change has significant negative effect on employees’ commitment on the performance of manufacturing firms in Enugu state. Transformation change lower employees’ morale, lessened efficiency and can cause disruptive work environment; which can lead to loss of job.

- Transformational change has no significant effect on employees’ morale in achieving organizational goals in food and manufacturing firms in Enugu state. Transformational change can lower employees’ morale, lessen efficiency and lack of commitment/initiative; which leads to decline in profits and dismissal.

- The study also found out that the strategies for addressing employees’ resistance to change can significantly reduce resistance to change in food and manufacturing firms in Enugu state.

Conclusion/Recommendations

Some employees put up resistance to the process, which can have some negative effects for the company in question. These effects can be widespread and may affect the morale of the staff if they are not addressed in a timely manner. It was recommended that the manufacturing firms should be proactive to changes in such a competitive environment to experience smooth implementation of such transformational changes. Change managers should therefore successfully manage the employees side of change in order to avoid resistance to change using the appropriate change strategies to enhance the overall performance of the organization. The implication the study is that in today’s dynamic environment organizational change is indispensible for every organization to proceed and prosper in ever changing business environment and any organizations who refuses to change will become dinosaur.

References


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