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The Practices and Challenges of Change Management in Arsi Negele Town Municipality, Ethiopia

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Abstract:

Change management determines the success and failures of any organization. However, the practices of change management are very poor in most of public sectors and the employees resist change due to bad habits, attitudes, perceptions, and lack of ambitious plans and strategies. The descriptive research design was applied to examine the current practices and challenges of change management in Arsi Negele town municipality. The primary data was collected via questionnaires and interview while the secondary data was collected from various literatures. To realize the objective of the study 67 employees were selected from the municipality using simple random sampling method. This study employed both qualitative and quantitative method of data analysis. The finding of the study revealed the poor change management practices and it became unfamiliar among the employees of municipality. Mainly change management was implemented in order to meet changing customer needs, market demands, respond to both internal and external pressures. Conversely, employee resistance; lack of awareness and knowledge; communication breakdown; lack of employee participation and involvement in change management, failure of conducting force field analysis; lack of well-planned and prolific change management and shortage of funds mainly hindered effective change management in the municipality. Therefore, devising and implementing sound policy and strategy that can improve the implementation of change management, awareness creation, engagement of stakeholders, creation of strong cooperation between employee and top management, developing two-way communications and conducting force field analysis are highly recommended to strengthen the practices of effective change management.

Keywords: Change, change management, public sector, municipality, resistance

1. Introduction

Public organizations often need to implement changes in the governance, design and delivery of public services (Fernandez & Rainey, 2006). The general aim of organizational change is an adaptation to the environment or an improvement in performance (Brooks, H., & Saadat, P. (1994). Any public sectors need to implement changes so as to respond to new development scenarios and to restructure organization structures and processes to increase efficiency in providing improved and integrated services. Moreover, change is useful to realize economic and efficiency; equity, justice, fairness; security; competitiveness and contestability; guaranteed sustainability of service where public interest criteria prevails, even in competitive market; mitigate against potential failure of privatized services; reducing transaction costs among others (Crawford L,1998).

However, the implications of change management processes are regularly under-estimated by senior management and not managed adequately. Leadership and administration can make a great difference and play a decisive role in executing change or reform programmes to ensure organizational success. This means that the qualities and practice of effective organizational leadership and change management is very essential for any management of public sectors (Ansoff, 1987). In line with this, developing countries have no exception.

Most of reforms/changes that implemented in developing countries during the last two decades were introduced as part of the Structural Adjustment Programmes (SAPs) of the World Bank in the 1980s. However, most of the more recent reforms, under

the influence of the New Public Management (NPM), have been driven by a combination of economic, social, political and technological factors, which have triggered the quest for efficiency and for ways to cut the cost of delivering public services. Moreover, lack of good governance is the leading factor that necessitates the need to adopt and implement change in African public sectors. The focus of the NPM movement therefore, was on creating institutional and organizational contexts which are to mirror what is seen as critical aspects of private sector modes of organizing and managing (ECA, 2003).

Most organizational managers today would agree that change has become a constant phenomenon which must be attended and managed properly if an organization is to survive. Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment have significant effect on the processes, products and services. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations which are unable to respond (Burnes, 2004). Despite the importance of organizational change for public management practice, organizational change management is affected by various challenges. Among these employee resistances, lack of knowledge and awareness about the implementation of change management model, lack of training and trainers, communication gap, insufficient employee participation in change process are main challenges of effective change management (Tensae, 2016).

Beside this, resistance to change becomes a great problem in any organization. People resist change because of lack of awareness about the contribution of change to the organization as well as to the individual employees and clients of the organization. This leads to poor change management practices in any organization including service sectors. In turn this poor change management affects the performance of the organization and minimizes the quality of service that rendered to their respective customers (Burnes, 2009). This problem is also true for Arsi Negele town municipality. Since, there are problem of awareness, understanding and accepting about the significance of change, the municipality has faced the problem of poor change management. This is problem of change management and its consequences on organizational and individual performance necessitate the need to conduct research on this area. Therefore, this study was aimed to assess the practices and challenges of change management in Arsi Negele town municipality.

1.1. Objectives of the Study

1.1.1. General Objective

The general objective of this study is to assess the overall organizational change management practices and challenges in Arsi Negele town Municipality.

1.1.2. Specific Objectives

The specific objectives of this study are:

- To assess the practices of change management in Arsi Negele town Municipality
- To find out the main challenges of change management in the study area

2. Literature Review

2.1. Over View of Change Management

Change management as a phenomenon is not a new concept. Every organization is affected by change. Still, organizational change initiatives fail at an alarming rate. This is because most initiative fails to consider how changes affect the people in an organization. Warrilow (2010) in his work stated that to effectively manage change in an environment experiencing change dynamics, there is a need to adopt strategies for managing such changes so that people can embrace change and direct it towards positive contribution of a given organization. He therefore suggested the strategies for managing change. He further stated that when opting for a strategy, we should take into account not only the circumstances we face, but also the preferred managerial style.

Korir, Mukolive, Loice and Kimeli (2012) defined change management as the effective management of a business change such that executive leaders, managers and frontline employers work in concert to successfully implement the needed process, technology or organizational changes. While Moran and Brighton (2001) defined change management as the process of continually renewing an organization direction, structure and capabilities to serve the ever-changing needs of external and internal customers. Burnes (2004) like many others scholars asserted that change is an ever-present feature of organizational life, both at the operational and strategic level. Due to its importance, change management is becoming imperative and needs appropriate managerial skills and strategy. For firm to survive, succeed and remain competitive in today's highly volatile and continuously evolving business environment, it must be able to successfully manage the change which is as a matter of fact a necessity. Change generally defined as a significant disruption in established patterns of behavior and/or expectations (David K., Carr et al 1996).

According to Kotter (1995) "Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Kotter continues on to note that this point in a change initiative can be difficult if the short-term sacrifice includes downsizing positions. This was an interesting point made by Kotter that did not

have any follow up. It would have been valuable to expand on this point further and offer practical recommendations for carrying out change successfully in an environment that requires downsizing and what type of an impact this has on an organizational change.

2.2. Approaches to Change Management

Robert W. Backoff and Paul C. Nutt (1993) discuss how to take into consideration the unique characteristics and needs of the public sector and the way transformational change should be carried out in these organizations. Back off and Nutt argue that, if done effectively, transformation will steer the development of strategic leaders in the future.

2.2.1. Planned Approach to Change

The planned approach to change operates on the principle that once change has taken place, it must be self-sustaining (Coram & Burnes, 2001). The purpose of planned change is to improve the effectiveness of the human side of the organization by focusing on the performance of groups within the organization. A key aspect of this approach is that it places an emphasis on the collaborative nature of change. All parts of the organization collaboratively diagnose the organization's problems and jointly develop a plan for specific changes to address these issues.

The planned approach to change was developed in response to top-down, rigid, hierarchical, rule-based organizations; organizations that operate in a predictable and controlled environment. Paul G. Thomas (1996) states that public sector organizations operate according to a hierarchical structure, which is ingrained in their foundation. This might suggest that a planned approach to change is appropriate for public sector organizations, given their characteristics and the characteristics of the planned approach. Coram and Burnes (2001) note that critics believe that change is a continuous, open-ended process rather than a set of "self-contained events".

2.2.2. Emergent Approach to Change

In contrast to the planned approach to change, Coram and Burnes (2001) note the emergent approach to change, which views organizational change as a continuous process of adaptation and involves aligning an organization's capabilities to the needs of an uncertain environment. Coram and Burnes also note that this approach involves making "small-medium scale incremental changes", based on the assumption that these changes will lead ultimately to the sustained transformation of an organization. This approach assumes that change is a cross-organizational process that takes place in an uncoordinated fashion over a period of years but comprises a series of interlocking projects. According to Coram and Burnes, the planned and emergent approaches to change are "situational approaches", which are only applied to particular situations in an organization. Leroy White (2000) advances the notion that traditional change models, such as the planned and emergent approaches, are too static and not successful in changing the whole operating system of a public-sector organization. White believes that public sector organizations must take a systems approach and perspective to managing change. This approach sees an organization as a complex set of interacting parts, responding to its environment and being responded to in return. A typical challenge to successful change occurs when the individual parts of an organization only see the change in their own way rather than from the view of the entire organization. According to White (2000), a systems approach should address this, deficiency. Systems' thinking advocates for approaches to change management which "involve unfreezing, changing and then re-freezing the desired state and business process re-engineering" (Lewin, 1951).

2.3. The Three-Step Model of Change

Kurt Lewin (1951) introduced the three-step change model. These are:

- **Unfreezing-** is necessary to overcome the strains of individual resistance and group conformity. It can be achieved by the use of three methods. First, increase the driving forces that direct behavior away from the existing situation or status quo. Second, decrease the restraining forces that negatively affect the movement from the existing equilibrium. Third, find a combination of the two methods. Some activities that can assist in the unfreezing step include: motivate participants by preparing them for change, build trust and recognition for the need to change, and actively participate in recognizing problems and brainstorming solutions within a group.
- **Movement-** is necessary to move the target system to a new level of equilibrium. Three actions that can assist in the movement step include: persuading employees to agree that the status quo is not beneficial to them and encouraging them to view the problem from a fresh perspective, work together on a quest for new, relevant information, and connect the views of the group to well-respected, powerful leaders that also support the change.
- **Re-freezing-** takes place after the change has been implemented in order for it to be sustained or "stick" over time. It is the actual integration of the new values into the community values and traditions. The purpose of refreezing is to stabilize the new equilibrium resulting from the change by balancing both the driving and restraining forces.

2.4. Strategies for Managing Change

Change management strategies is referred to as the techniques adopted to effectively manage change in an environment experiencing change dynamics so as to embrace change and direct it towards positive contribution of a given

organization (Warrilow, 2010). Before any strategy is adopted, the organization must know its strength and weakness, their customer's needs and the nature of the environment in which they operate.

2.5. Forces for Change in the Organization

Organization counter may different forces for changes these forces can for external & internal forces. This section examines the force that creates the need for change. Awareness of their force can help managers de foramina when they should consider implementing is organizational change.

2.5.1. External Force of Change

External force of change originates outside the organization. Because, this has global effect they may cause an organization to equation the essence what business in and they are three key forces for change demographic characteristics, technological advancement, social and political pressure (R. Mitchel and J.R Zarson, 1993).

2.5.2. Internal Force of Change

The internal forces of an organization are signals produced inside an organization, indicating that a change is necessary. Thus, it is important to clearly define these forces, in order to monitor them and to achieve the change in the most appropriate form and moment. The internal forces are: Growth, Power and political factors, Goal succession, life-cycle, human resources, economic restrictions, crisis and so on (S. Esparcia and E. Argente, 2012).

3. Methodology

3.1. Research Design

Descriptive research design which involves both quantitative and qualitative approach was adopted and used in order to achieve the predetermined objectives of the study. The reason why this descriptive research design was preferred over other research designs is that it is more suitable and convenient to the study as it helps a researcher to conduct deep investigation on the issues that found under investigation.

3.2. Sources and Methods of Data Collection

In order to achieve the predetermined objectives of the study the researchers were used both primary and secondary data which are quantitative and qualitative nature. The primary data was collected through questionnaire and interview. The questionnaire has administered to managers, team leaders and professional employees working in Arsi Negele town municipality. A structured interview was conducted with the management of Arsi Negele town municipality. The secondary data was collected from both published and unpublished books, journals, annuals reports and documents. Such type of data was collected by using extensive document analysis.

3.3. Sampling Technique and Sample Size

The researchers used simple random sampling technique to obtain representative sample. The rationale for applying the simple random sampling was aimed to have equal probability of selection for the entire population and purposive sampling made possible to intentionally select participants and key informants who had more exposure and experience in change management in the municipality. The sample size for this study was drawn using the following formula which was developed by Yamane Taro (1967).

The reason for using this formula is that it is the most simplified and widely applied in determining sample size in such research works. A 90% confidence level and $e = 0.1$ precision are assumed for the equation.

$$n = \frac{N}{1+N(e)^2} \text{ Where, } n = \text{sample size}$$

N = Population size of each variable (workers)

e = level of precision

$$n = \frac{200}{1+200(0.1)^2} = 67$$

Thus, the sample size for this study was 67

3.4. Method of Data Analysis

This study employed both qualitative and quantitative method of data analysis. Mainly descriptive statistics like frequency, table and percentage were employed in analyzing quantitative data. Qualitative method of data analysis was used to analyze qualitative data that collected through open ended questionnaire and structured interview.

4. Data Analysis and Results

4.1. Practice of Change Management in Arsi Negele Town Municipality

The respondents were asked whether they are familiar with the concept and practice of change management or not.

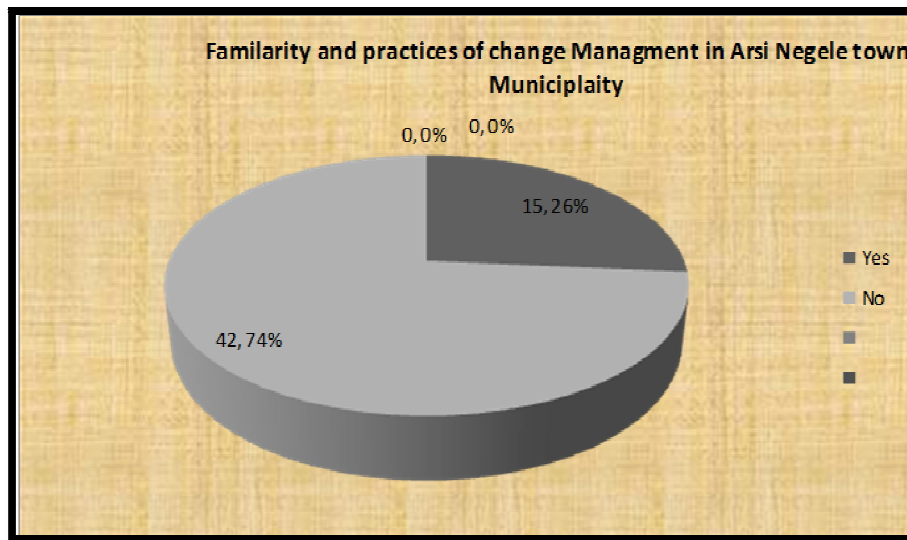


Figure 1: Familiarity with the Term Change Management

As indicated in the above figure, the majority 74% of respondents replied that they are not familiar with the term. This is because they were not communicated well about change management even though they were the one who implemented it. The interview result from management is consistent with this result. There is a communication gap between top management, middle management and low-level management. In other words, change agents and management of the municipality don't communicate well about change and they don't have any formal way of sharing information one from other. This communication gap leads to frustration and loss of confidence among employees. Arsi Negele town municipality change management team members reported that "the top management or administration don't accept the feedback gathered from the other team members and they consider under their knowledge and position."

4.2. The Extent of Change Management Practices in Arsi Negele Town Municipality

Extent of Change	Response	
	Frequency(N)	Percentage (%)
High	12	17.90%
Moderate	18	26.90%
Low	37	55.20%
Total	67	100%

Table 1: The Extent of Change Management Practices in Arsi Negele Town Municipality
Source, Own Survey, 2017

As presented in the above table 1, out of 67 total sampled respondents, the majority 37(55.2%) of respondents rated that the extent of change management practices is low whereas, the remaining 18(26.9%) and 12(17.9%) of the respondents said that the extent of change management is moderate and high respectively. This indicated that the motivation to accept and implement change is found to be very low in Arsi Negele town Municipality. Thus, since change is must and unavoidable the municipality should be ready to accept and implement newly introduced change tools in order to survive within changing environment.

4.3. The Main Purpose of Change in Arsi Negele Town Municipality

Change management determines the success and effectiveness of the organization as well as the performance of individual workers. Thus, in order to manage change in proper manner, the organizations should identify the main purposes why changes in organization are needed (Tensae, 2013). In line with this, the discussion that held with the management of Arsi Negele town municipality indicated that change become inevitable because change in technology, environment, needs, and market influences the success of the organization. It helps the organizations to survive by adjusting their strategies to circumstances and events around them. In general, Arsi Negele town municipality adopts and implements different change/reform programs to meet new demands of customer, market and employees of the organization. Unless they adapt to changing circumstances and take on new directions, they are likely to fail and fade away in providing all necessary services to

their customers. This implies that change is must and necessary for survival any organizations and they must continually change and adopt in order to survive with the dynamic and changing environment.

4.4. Challenges of Change Management in Arsi Negele Town Municipality

Alternatives	SA		A		D		SD		Total	
	N	%	N	%	N	%	N	%	N	%
Employees resistance	18	26.86	34	50.70	15	12.38	0	0	67	100
Top management resistance	16	23.9	21	31.3	18	26.9	12	17.9	67	100
Lack of awareness, skills and knowledge about the importance of change	20	29.85	23	34.33	14	20.90	10	14.92	67	100
Communication gap/breakdown	22	32.83	30	44.8	9	13.42	6	8.95	67	100
Lack of employee participation and involvement in change management	21	31.34	29	43.28	8	11.94	9	13.43	67	100
Lack of well-planned and prolific change management	16	23.90	27	40.3	14	20.9	10	14.92	67	100
Lack of conducting force field analysis	25	37.3	24	35.82	9	13.43	9	13.43	67	100
Shortage of funds	24	35.82	23	34.32	13	19.40	7	10.44	67	100
Lack of top management commitment and support	20	29.85	18	26.87	17	25.40	12	17.90	67	100

Table 2: Challenges of Change Management in Arsi Negele Town Municipality
Key: SA=Strongly Agree, A=Agree, D=Disagree and SD=Strongly Disagree

The findings of the study show that the majority of the respondents agreed that employee's resistance, top management resistance, lack of awareness, skill and knowledge; communication gap; lack of employees' participation and involvement in change management; lack of well-planned and prolific change management; lack of conducting force field analysis; shortage of funds and lack of commitment and support from top management were mainly affect change management in Arsi Negele town. This is consistent with the interview results that conducted with the manager Arsi Negele town Municipality. Managers responded that communication breakdown, lack of fund and capacity to implement change management, lack of knowledge, and employee resistance pose a great challenge in adopting and managing change effectively. The employee resists are found to be very common in the municipality because they feel insecurity and lack of awareness about the importance of change management. Moreover, lack of stakeholder's participation, resources and lack ambitious plans highly affect the practices of change management in Arsi Negele town municipality.

5. Conclusions and Recommendations

Change management determines the success and failures of any organization. This is why most of public sectors including Arsi Negele town municipality were started to implement change program. The study confirmed that change management program was implemented in the municipality in order to respond to change in technology, environment, and customer and market needs or /demands which influences the success of the organization. Moreover, the paper suggested that various change reforms are exercised in the municipality to respond to both internal and external pressures so as to be competitive in dynamic environment. However, the current practice of change management is found to be low in Arsi Negele town due to employee and top management resistance, lack of awareness and knowledge, communication breakdown, lack of employee participation, failure of conducting force field analysis, lack of well-planned and prolific change management, shortage of funds and low commitment from top level management. Therefore, considering the significant and negative impact of change management on the survival and successes of the organization, the concerned body has to device and executes sound policy and plans that strengthen the implementation of change management so as to reap the fruit of effective change management.

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