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# Impact of Organizational Change on Organizational Performance

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**GJMBR - A Classification :** *JEL Code : D23*



*Strictly as per the compliance and regulations of:*



# Impact of Organizational Change on Organizational Performance

Saira khaton <sup>α</sup> & Dr. Ayesha Farooq <sup>ο</sup>

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**Findings:** The variables related to change portrayed in the research instrument are the aspects of change management in organizations; both for the individual as well as groups and the work also gains insight into the effects of the organizational change on organizational performance. This research instrument offers the impact of change aspects on performance and subsequently, improvisation of the processes in future. The results obtained indicated a positive relationship between the aspects of change on performance, as well as they impacted the performance of the organizations.

**Managerial Implications:** The researchers have concluded that the adoption of the changes by companies can be a means to improve organizational performance. The adoption will assist the business organizations to formulate practical strategies to enhance their performance.

**Keywords:** organizational change, performance, change communication.

## I. INTRODUCTION

According to Kotter (1995), effective change efforts must begin with individuals and groups evaluating an organization's "market position, competitive

situation, technological developments and financial performance". The organizational change implemented by the commitment of top management and it respond to various demands from a dynamic competitive environment (Wright and Snell, 1998). Increasing global competition, accelerating technological change and expanding customer expectations are creating a turbulent environment. In order to this rapid and uncertain change, organizations combine different aspects of change to improve performance and adopt flexible workplace practices in order to be successful (Gittleman et al., 1998). Armenakis et al. (1993) cite the example of a CEO, who travels to numerous corporate locations in order to discuss the need for change. Although researchers have shown that aspects of change such as change communication, participation, the attitude of top management, leadership and readiness for change are related to increasing organizational performance, the contribution of these aspects of change has been studied empirically (Bhattacharya et al., 2005).

However, aspects of change lay the foundations for the change in the organization: Quality of change communication is vital to the active implementation of organizational change (DiFonzo and Bordia, 1998; Lewis and Seibold, 1998; Schweiger and Denisi, 1991) and has made work more portable and ubiquitous which increases employee flexibility to organize work (Moen, 1996). Communication means the exchange of information and the transmission of meaning (Gilley et al., 2009). The most important factor for failure in change attempts is the managers' inability to persuade organization members to support the change (Fox and Amichai-Hamburger, 2001). Participation of top management and employees in an organizational context is demarcated as the active contribution of employees and management in the decision-making process of an organization (Chirico & Salvato, 2008). The attitude of top management, toward organizational change, is defined as a top management's psychological tendency expressed by overall positive or negative evaluative judgment of change (Lines, 2005). Attitudes toward organizational change could be viewed as a complementary to the acceptable (bottom line) outcomes, such as survival and profitability (Armenakis and Bedeian, 1999). The leader cannot perform organizational changes by using only formal structure and systems as principal instruments (Svanberg, 2007).

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The leaders also have to pay attention to the organizational culture and provide a new basis for cohesion (Hirschhorn, 2000). Armenakis et al., (1993) argue that readiness for change can be generated through active communication of the message for change (rational component). Fox and Amichai-Hamburger (2001) further emphasize the importance of using emotional elements when delivering information about the change because of their persuading role to overcome resistance to change depending on the strength of the relation between cognitive and emotional facets, affecting the emotions will lead cognitive elements to align with them (strong relation), or at least minimize the employees' emotional objection to the change (weak relation).

The purpose of this research paper is to explore the relationship between aspects of change (quality of change communication, participation, the attitude of top management toward change, leadership and readiness for change) on organizational performance as well as to study the impact of these aspects of change on performance.

## II. CONCEPTUAL BACKGROUND

Leana and Barry (2000) Theorize that organizational change is aimed at adapting to the environment, improvement in performance and changes in employees behavioral patterns in the workplace. Organizations are constantly required to adapt to a changing environment to sustain their position in the market and even more so if they are to grow actually (Biedenbach and Soumlerholma, 2008). Changes are a necessary measure of the current marketplace. The present rate of technological development and emergent global competition lets us predict an enduring need for change in the future (Armenakis and Harris, 2009). An extensive literature on organizational change contends that to succeed in the process of implementing changes particular individual, group, and organizational capabilities are needed which are critical at that moment, and some of those capabilities are related to quality of change communication, participation, attitude of top management, and readiness for change management (Burke, 2002; Denis et al., 2001; Greenwood and Hinings, 1993).

The changes executed by a firm are usually the result of a decision-making process that the firm formulates or designs with anticipation (Rajagopalan and Spreitzer, 1996) in order to accomplish a competitive advantage in the industry (Burgelman, 1991). The implementation of the majority of these changes requires necessary modifications to both the nature and configuration of organizational resources (economic, human, technological, information, and administrative), having a clear strategy plan to manage potential role conflicts and to minimize the resistance to

changes within the firm. The accomplishment of an extremely competitive position in the industry rests mostly on the firm's top management team whom should decide the scope or magnitude of organizational changes to be implemented in the future; those changes are identified and designed while the upper managers are working on the process of strategy formulation.

The scholars of organizational change report that the implementation of changes in the firm is an extremely complex task requiring top managers to develop multiple organizational capabilities and make commitments to several types of resources in large quantities that are often irrevocable (Eisenhardt and Zbaracki, 1992; Ghemawat, 1991). Firms manage a good deal of information, for instance, price strategies, product breadth, and depth, internal processes, operational and administrative costs, about their direct competitors in the same country. The systematic monitoring of the direct competition allows a firm to obtain useful information identifying good practices to be used consequently to implement internal changes to improve organizational performance.

## III. ASPECTS OF CHANGE

*The quality of change communication:* The general importance of communication during change has already been empirically demonstrated and approved by practitioners (Lewis, 1999). Poorly achieved change communication results in rumors and resistance to change, exaggerating the negative aspects of the change (Smelzer and Zener, 1992; DiFonzo et al., 1994). The empirical picture that is slowly emerging indicates that communication process and organizational change implementation are inextricably linked processes (Lewis, 1999, p. 44). Robertson et al., (1993) states that why communication is important during organizational change they demonstrated it by the model of the dynamics of planned organizational change. Robertson et al. propose that the change effort is dependent on the ability of the organization to change the individual behavior of individual employees. If organizational change is about how to change the different tasks of individual employees, communication about the change, and information to these employees is vital. Communication with these employees should be an important, and integrative part of the change efforts and strategies.

*Participation:* Participation of top management and employees in an organizational context is defined as the dynamic involvement of top management and employees in the decision-making process of an organization (Chirico & Salvato, 2008). Manville and Oberg (2003) stated that participation is a means by which employees are given an opinion to express themselves. Wagner (1994) said that participation refers

to a process where influence is shared among individuals who are hierarchically unequal. McNabb & Sepic (1995) found out that the deficiency of participation was a significant cause of disappointing results with organizational change. One of the earlier works that noted the significance of participation of employees in the change process is the landmark study of Coch and French (1948) they has a variety of experiments at the Harwood Manufacturing Plant, they perceived that a groups that were permitted to participate in the strategy and expansion of change had a much lower resistance than those who did not.

*The attitude of top management toward change:* The attitude of top management, toward organizational change, is defined as a top management's psychological tendency expressed by overall positive or negative evaluative judgment of change (Lines, 2005). Attitudes toward organizational change could be viewed as a complementary to the acceptable (bottom line) outcomes, such as survival and profitability (Armenakis and Bedeian, 1999).

*Leadership:* The leader cannot perform organizational changes by using only formal structure and systems as principal instruments (Svanberg, 2007). The leaders also have to pay attention to the organizational culture and provide a new basis for cohesion. (Hirschhorn, 2000). The key role leaders play in the change process has been noted by change theorists, yet no conclusive research focuses on this relationship between leadership and change (Almaraz, 1994). Burns (1978) developed the initial ideas on transformational and transactional leadership in the political context, and Bass (1985) further refined them and introduced them into the organizational context. Tichy and Devanna (1990) shows that transformational leaders engage in a process, which includes a sequence of phases: recognizing the need for change, creating a new vision, and then institutionalizing the change. A review of the literature on change-oriented or outstanding leadership, which also includes charismatic and visionary leadership (House, 1995), indicates that the "majority of the approaches share the common perspective that by articulating a vision, fostering the acceptance of group goals, and providing individualized support, effective leaders change the basic values, beliefs, and attitudes of followers so that they are willing to perform beyond the minimum levels specified by the organization" (Podsakoff et al., 1996, p.260).

*Readiness for change:* Armenakis et al. (1993) contend that readiness for change can be generated through active communication of the message for change (rational component). Fox and Amichai-Hamburger (2001) further emphasize the importance of using emotional elements when delivering information about the change because of their persuading role to

overcome resistance to change depending on the strength of the relation between cognitive and emotional facets, affecting the emotions will lead cognitive elements to align with them (strong relation), or at least minimize the employees' emotional objection to the change (weak relation). Herskovits, (2003) gave a work-related definition of resistance to change as: "Employee action or inaction that is intended to avoid change and interfere with the successful implementation of a change in its current form". Researchers have found a strong consensus about the significant role of readiness for change in understanding the processes that lead to a successful change implemented-on (Armenakis, Harris, & Feild, 1999; Kotter, 1995; Mento, Jones, & Dirndorfer, 2002; Sashkin & Burke, 1987). Despite the relevance of climate change, the process of change, and readiness for change in predicting change behavior, there are few well-validated available measures that assess these components (Holt, Armenakis, Harris, & Feild, 2007).

#### IV. RESEARCH METHODOLOGY

##### a) *Rationale for the Study*

An extensive literature review shows that the aspects of organizational change proved to be a suitable dimension resulting in better performing organizations and is used to replace traditional performance system. However, there has been no empirical study so far to show the extent to which aspects of change has been used in manufacturing and service industry as well as in public and private Sector organization in India and the relationship between aspects of organizational change on organizational performance.

##### b) *Objectives of the study*

- To study the concept of aspects of change.
- To study the relationship between aspects of change and organizational performance.
- To study the impact of aspects of change on organizational performance.



c) *Conceptual Model of Research*

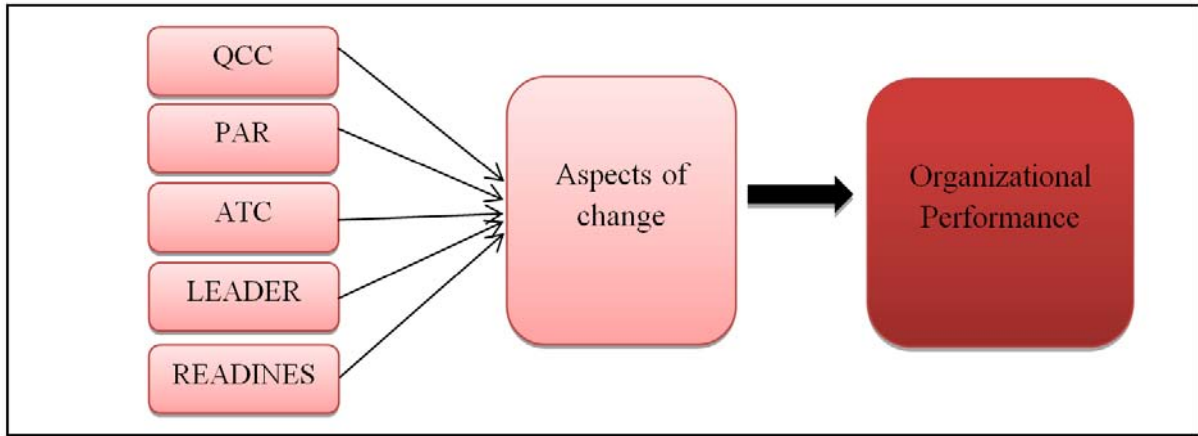


Figure 1: Conceptual Model of Research

Source: By Researcher

d) *Research Hypothesis*

In the light of the objectives following research hypotheses are developed.

*Category 1:* Investigating the positive relationship between aspects of change and organizational performance.

*H1:* There is a positive relationship between quality of change communication and organizational performance.

*H2:* There is a positive relationship between participation and organizational performance.

*H3:* There is positive relationship between the attitude of top management and organizational performance.

*H4:* There is a positive relationship between leadership and organizational performance.

*H5:* There is a positive relationship between readiness for change and organizational performance.

*Category 2:* Investigating the impact of aspects of change and organizational performance.

*H1:* There is a significant positive impact of quality of change communication on performance.

*H2:* There is a significant positive impact of participation on performance.

*H3:* There is a significant positive impact of the attitude of top management on performance.

*H4:* There is a significant positive impact of leadership on performance.

*H5:* There is a significant positive impact of readiness for change on performance.

V. METHODOLOGY

a) *Research Design*

Aspects of change are latent independent variable leading to, which is the dependent variable. Five constructs are identified for aspects of change namely: quality of change communication, participation,

the attitude of top management, leadership, readiness for change. The next category, overall performance (OP), was acknowledged in six statements. A research instrument was designed based on extensive literature review. The instrument was based on five-point Likert scale with choices 'strongly agree', 'agree,' 'neither agree nor disagree,' 'disagree' and 'strongly disagree.' The organizations chosen for the research fall under fortune 500 companies. Initially, the questionnaire for the pilot study had 51 statements. The questionnaire was reviewed by experts for their feedback. After necessary modifications, it became 31 items from 51. The questionnaire was sent to 275 potential respondents, out of which only 175 responses were received. Senior managers were contacted for their responses since they are more aware of the aspects of the change occurring in the organization.

The reliability and validity of the instrument were determined with the help of factor analysis and computing Cronbach alpha. The value of Cronbach alpha for the entire instrument as well as for each construct was more than 0.500. Those variables with low factor loadings (less than 0.400) were deleted, and the questionnaire was refined. As a result, 31 statements remained in the final survey. After final data collection, 175 responses turned out to be valid and considered for the analysis.

*Reliability:* Measurement results are reliable when they remain stable from one rating period to another or from one rater to other (Smith, 1976; Wexley, 1979). The preliminary questionnaire used for the pilot study had 51 items. The first five categories were related to organizational change: quality of change communication (QCC), participation (PAR), the attitude of top management toward change (ATC), aspects of leadership (LDR), and readiness for change (REC). The next category, overall performance (OP), was

acknowledged in six statements. As a result, 31 statements remained in the final questionnaire. The instrument reliability and validity were determined with the help of factor analysis and computing Cronbach's alpha.

Table 1 : Descriptive Statistics and Cronbach's Alpha Item Statistics

Items	Mean	Std. Deviation	Cronbach's Alpha
QCC1	2.38	.983	.787
QCC2	2.16	1.034	
QCC3	2.57	1.191	
QCC4	2.36	1.030	
QCC5	2.86	1.118	
QCC6	2.31	1.106	
QCC7	2.53	1.118	.729
PAR8	2.25	1.056	
PAR9	2.44	1.125	
PAR10	2.35	1.079	
PAR11	2.16	.967	
PAR12	2.47	1.077	
ATC13	2.19	1.071	.552
ATC14	2.41	.973	
ATC15	2.65	1.054	
LED16	2.53	1.192	.466
LED17	2.45	1.042	
LED18	2.22	1.088	
LGP19	2.35	1.006	
RED20	2.39	1.016	.642
RED21	2.86	1.222	
RED22	3.09	1.163	
RED23	3.00	1.195	
RED24	2.85	1.129	
RED25	2.27	.992	
RED26	2.04	1.077	
OP27	2.04	.941	.755
OP28	2.74	1.116	
OP29	2.38	1.062	
OP30	2.16	.906	
OP31	2.37	1.005	

Hypotheses Testing

Category 1: Investigating the positive relationship between aspects of change and organizational performance.

In this study, five aspects of change have been taken namely, QCC, PAR, ATC, LDR and REDI as the independent variable. To investigate, the relationship

between aspects of change and OP has been estimated by Karl Pearson's Correlation. Proper hypothesis has been developed and validated accordingly. The hypotheses to investigate the positive relationship between aspects of change and organizational performance are given below [Hypotheses H1-H5].

Table 2 : Correlations among Change and Performance

	QCC	PAR	ATC	LDR	REDI	CHANGE	OP
QCC	1						
PAR	.428**	1					
ATC	.235**	.265**	1				
LDR	.190**	.398**	.308**	1			
REDI	.258**	.199**	.282**	.475**	1		
CHANGE	.723**	.689**	.533**	.650**	.687**	1	
OP	.553**	.462**	.225**	.300**	.264**	.579**	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

N= 175

The results of correlation show a positive relationship between aspects of change and organizational performance. Thus, Hypotheses H1-H5 is accepted. This implies that aspects of change such as

QCC, PAR, ATC, LDR and REDI positively correlated with the performance of the organization. According to the previous studies Dumond (1994) claims that the main problems in the implementation of performance measurement systems are raised due to the lack of communication and dissemination of performance information. The higher the level of management support, the more the participative behavior is expected to result in positive outcomes like an increase in performance (Caldwell, 2003). Top management and Senior Managers responsible for developing and implementing performance measurement systems are reflecting more on the concept of strategic control. P.A.

Phillips (2007). Gebert and Steinkamp (1991) argue that there is a close relationship between the economic success of an organization and leadership style used. Leadership also has a significant impact on performance (Yousef, 1998). Jayashree and Hussain (2010) point out that few empirical studies have assessed the role of performance measurement in change. Eccles (1991) claims that it will become increasingly necessary for all major businesses to evaluate and modify their performance measures in order to adapt to the rapidly changing and highly competitive business environment.

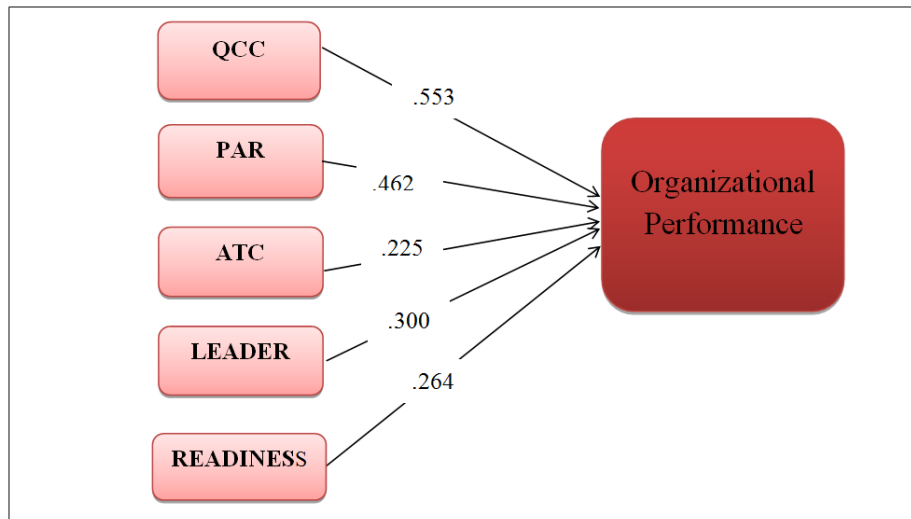


Figure 2 : Model Presenting the Value of Correlation

## VI. PATH ANALYSIS: STRUCTURAL EQUATION MODELING

Hair et al. (2010) have advocated that Structural Equation Modeling examines “the structure of interrelationships expressed in a series of equations.” The establishment of the covariance-based structural equation model (CBSEM) approach can be traced back to the development of the maximum likelihood (ML) covariance structure analysis developed by Joreskog (1966, 1967, 1969, 1970, 1973, 1979) and extended by Wiley (1973). SEM technique is the preferred choice for developing complex models, and various types of hypothesized models can be tested using SEM (Shumacker & Lomax, 2004). The structural constructs (i.e. multidimensional constructs, hierarchical constructs; cf. Fornell and Bookstein, 1982; McDonald, 1996; Wetzels et al., 2009; Bagozzi, 1994; Chintagunta et al., 2006) represent multilevel interrelationships among the constructs that involve several exogenous and endogenous interconnections and include more than one dimension. The researcher should distinguish higher order models from a model that employs unidimensional constructs that are characterized by a single dimension among the constructs. In the

measurement model, the contribution of each scale item is assessed. It further establishes the ability of the scale to measure the concept into the estimation of relationships between dependent and independent variables (Hair et. al., 1998). Hence, the measurement model provides the base for assessing the validity of the structural model. The structural model, allows the researchers to test the predicted relationships between dependent and independent variables.

The proposed model has five exogenous variables viz. The quality of change communication (QCC), participation (PAR), the attitude of top management toward change (ATC), Leadership (LDR) and readiness for change (REDI). Other variable employed in the study is Organizational Performance (OP) is treated as an endogenous variable. The model is depicted as recursive in nature. This implies that the model does not permit feedback loops. There is a unidirectional causal flow among the variables of the model.

### a) Analysis of Model Fit

The specific indices which are appropriate for this study include such as Chi-square/df, GFI, AGFI, NFI, CFI and RMSEA (Hair et al., 1998; Shumacker and

Lomax, 2004). Reporting chi-square test with its degree of freedom and associated p-value is mandatory (Hooper, Coughlan & Mullen, 2008). Researchers suggest a value between 1 and 5 as appropriate for chi-square/df (Chin et al., 1997; Salisbury et.al., 2002). Though a value less than 3 is considered good (Kline, 2004). Although there is no consent regarding an acceptable ratio for this statistic, recommendations range from as high as 5.0 (Wheaton et al., 1977) to as low as 2.0 (Tabachnick & Fidell, 2007). However it is

suggested that the lower the value, the better the fit (Segars & Grover, 1993; Chau, 1997).

The other model fit indices such as GFI, AGFI, NFI, CFI, and RMSEA are sensitive to model misspecification and do not depend on sample size as strongly as Chi-square (Rigdon, 1996; Hu & Bentler, 1998; Fan et al., 1999; Iacobucci, 2009; Bagozzi, 2010). Therefore, researchers are suggested to rely on the other fit indices as well other than Chi-square.

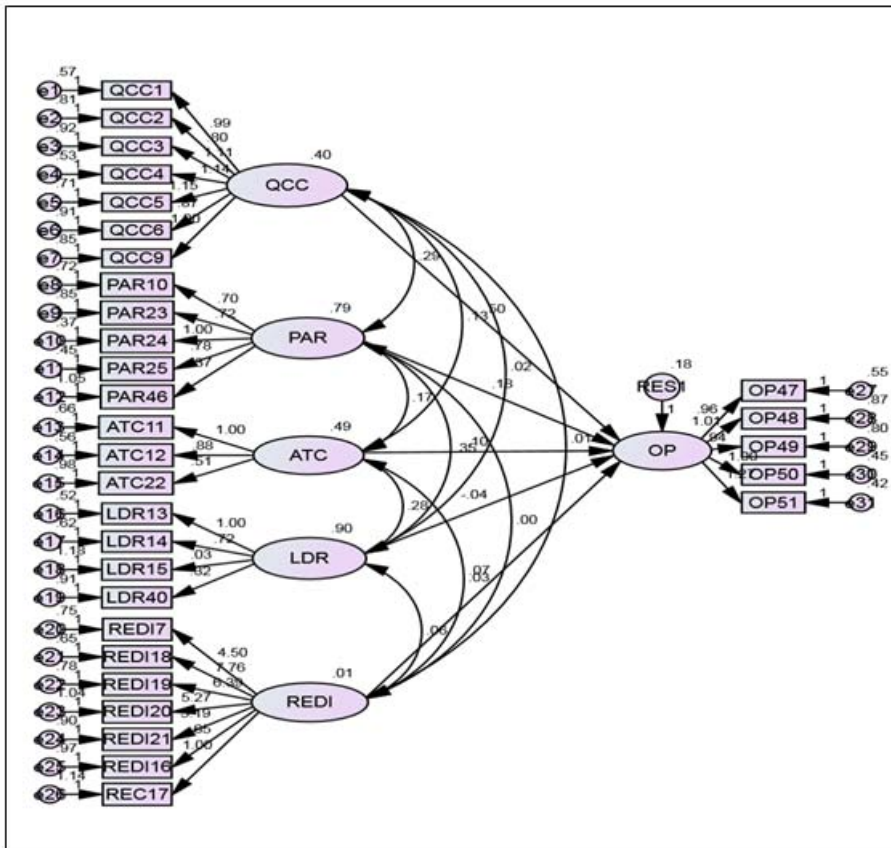
Table 3 : SEM- Model Fit Summary

Fit Indicators	Observed Value
Chi-square/ Degree of Freedom	2.657
Good of Fit Index (GFI)	.748
Adjusted Good of Fit Index (AGFI)	.701
(CMIN)/DF	2.658
Non- Normed Fit Index (NNFI)	.563
Comparative Fit Index (CFI)	.667
Root Mean Square Error of Approximation (RMSEA)	.086

Table: 3 show the fit indices for the entire scale. The fit indices showed that the higher-order factor of the model fitted the data adequately. Chi-square to degrees

of freedom ratio (2.657) is below 3. Also, The RMSEA value (0.073) falls between 0.07 and 0.08. Therefore, the measurement model for entire scale is acceptable.

Exhibit 1 : Structural Modeland Path Coefficients



Minimum was achieved; Chi-square=1134.573; df=419 ; Probability level= 0.000.

QCC- Quality of Change Communication, PAR-Participation, ATC- Attitude of Top Management, LDR-Leadership, REDI- Readiness for Change, & OP- Organizational Performance.



*b) Hypotheses Testing Through Path Analysis**Category 2: Investigating the impact of aspects of change on organizational performance.*

In this study, five aspects of change have been taken namely, QCC, PAR, ATC, LDR and REDI as the independent variable. The impact of these aspects of change on OP has been estimated by Structural Equation Modeling (SEM). Proper hypothesis has been developed and validated accordingly.

The hypotheses to investigate the impact of aspects of change on organizational performance are given below [Hypotheses H6-H10].

**H6:** There is a significant positive impact of quality of change communication on performance.

In order to study the impact of QCC on OP, Structural Equation Modeling (SEM) is applied. The results show the positive impact of QCC on OP (Estimate = .519). Further, this impact of QCC on OP is statistical significant ( $p = 0.000, < .05$ ). Therefore, the Hypotheses H6 is supported.

The result of the H6 is supported by the study of (Strand & Dore, 2009), they suggested that the significance of the quality of change communication scale confirms that agency-wide communication needs to elucidate goals of the organization, occurrences within the organization and specific work assignments for employees to feel ready for a change. Poor communication contributes significantly to decreased organizational performance. Stanley, Meyer & Topolnytsky (2005) also identify communications a major factor in overcoming employee resistance to change. They defined communication as management communicating the reason for the change, and confidence management decisions.

**H7:** There is a significant positive impact of participation on performance.

In order to study the impact of PAR on OP, Structural Equation Modeling (SEM) is applied. The results show the negative impact of PAR on OP (Estimate = .257). Further, this impact of PAR on OP is statistical no significant ( $p = 0.067, > .05$ ). Therefore, the Hypotheses H7 is not supported.

The result of H7 is contradicted by the study of Herzig and Jimmieson (2006), they advocated that the participation of top management toward change perceive the organization to be more ready for the better organizational performance. The higher the level of management support, the more the participative behavior is expected to result in positive outcomes like an increase in performance (Caldwell, 2003).

**H8:** There is a significant positive impact of the attitude of top management on performance.

In order to study the impact of ATC on OP, Structural Equation Modeling (SEM) is applied. The results show the negative impact of ATC on OP

(Estimate = .115). Further, this impact of ATC on OP is statistical no significant ( $p = 0.272, > .05$ ). Therefore, the Hypotheses H8 is not supported.

The result of H8 is contradicted by the study of P.A. Phillips (2007), they say that Top Management and Senior Managers responsible for developing and implementing performance measurement systems are reflecting more on the concept of strategic control. Kwon & Zmud, 1987; Shields & Young, (1989) find that the impact of the attitude of top management on performance has significant positive influences on measurement system.

**H9:** There is a significant positive impact of leadership on performance.

In order to study the impact of LDR on OP, Structural Equation Modeling (SEM) is applied. The results show the negative impact of LDR on OP (Estimate = -.068). Further, this impact of LDR on OP is statistical no significant ( $p = 0.671, > .05$ ). Therefore, the Hypotheses H9 is not supported.

The result of H9 is contradicted by the study of Yousef, (1998) he advocated that there is a significant positive impact of leadership on performance. The above result shows that there is no positive impact of leadership on performance.

**H10:** There is a significant positive impact of readiness for change on performance.

In order to study the impact of REDI on OP, Structural Equation Modeling (SEM) is applied. The results show the negative impact of REDI on OP (Estimate = .014). Further, this impact of REDI on OP is statistical no significant ( $p = 0.912, > .05$ ). Therefore, the Hypotheses H10 is not supported.

The result of H10 is contradicted by the study of Eccles (1991), claims that it will become increasingly necessary for all major businesses to evaluate and modify their performance measures in order to adapt to the rapidly changing and highly competitive business environment. On the other hand, the above result was in the favor with the study of Malmi, 1997; Anderson and Young, 1999 they suggested that Readiness for change does not always seem to lead to a successful performance, regardless of how skillfully they are managed.

Table 5 : Results of Hypotheses Testing through SEM

Hypothesis	Relationship	Estimate	p-value	Results
H6	QCC→OP	.519	.000	Sig.
H7	PAR→OP	.257	.067	No. Sig.
H8	ATC→OP	.115	.272	No. Sig.
H9	LDR→OP	-.068	.671	No. Sig.
H10	REDI→OP	.014	.912	No. Sig.

VII. DISCUSSION AND CONCLUSIONS

Innovation can be seen as an aspect of organizational change: doing something new within the organization (Jaskyte, 2010). The growing importance of service industries and increased global competition has further intensified the need for different control and performance measures. The empirical study appeared indicated that organizational change and communication process are intimately related practices (Lewis, 1999). Recent studies about change communication show that communication has a positive correlation with many organizational outputs like organizational performance, organizational commitment, organizational citizenship behaviors, and job satisfaction. Participation & Involvement of employees towards change enhances workers' input into decisions that affect their well-being and organizational performance (Glew et al., 1995). An emergent body of research suggests that employee participation has a positive impact on change implementation (Sims, 2002) and performance (Huselid, 1995). Top management and Senior Managers responsible for developing and implementing performance measurement systems are reflecting more on the concept of strategic control. P.A. Phillips (2007). Gebert and Steinkamp (1991) dispute that there is a close relationship between the economic success of an organization and leadership style used in the organization. Readiness for change does not always seem to lead to satisfactory performance, regardless of how skillfully they are managed (Malmi, 1997; Anderson and Young, 1999). The present study has been undertaken with the primary aim of exploring the relationship between the aspects of change and organizational performance as well as to study the impact of these aspects of change on performance. The effort was directed at generating scientific data that can help to fulfill the research objective of our study.

The findings of the category 1 show, that there is a positive correlation between aspects of change (QCC, PAR, ATC, LDR & REDI) and organizational performance (OP). The findings of the study of category 2, show that there is the only quality of change communication (QCC) has an a significant positive impact on organization performance (OP) while, other aspects of change PAR, ATC, LDR, & REDI has no significant positive impact on organization performance

(OP). Chan, (2004) found in a study of local governments in the USA and municipal governments in Canada; a majority reported not having developed any performance measure for innovation and change while The study of Bloodgood & Morrow, (2003) contradicted our study, they proposed Organizational change that an organization has selected, and the type of knowledge resources that a firm needs to implement successfully this strategy will have a positive impact on organizational performance.

a) Managerial Implication

Our study provides systematic new evidence on the aspects of the change and BSC concept. We present a model that suggests the aspects of change and Balanced Scorecard perspectives to focus on how they impact and communicate with organizational performance. The result shows that the communication of change has a positive impact on performance it illustrate that the poorly managed change communication results in anecdotes and resistance to change, exaggerating the negative aspects of the change (DiFonzo et al., 1994; Smelzer and Zener, 1992), while there is a positive relationship between aspects of change and organizational performance. Managers in the organizations whose strategies are controlled by top managers tend to be the most satisfied with the performance levels of their organization.

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