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IMPACT OF CHANGE MANAGEMENT ON THE ATTAINMENT OF CORPORATE GOALS ON SELECTED DEPOSIT MONEY BANKS IN NIGERIA.

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Abstract

The study examined the impact of change management on the attainment of corporate goals. The specific objectives of this study were: to examine the impact of communication on corporate goals in selected banks in Nigeria, and to examine the impact of leadership on the attainment of corporate goals in selected banks in Nigeria. The research design was a survey design method. The study was carried out in selected banks in Nigeria, a study of the First Bank, UBA, and Union Bank in Cross River State. The primary research data was generated basically through a structured questionnaire that was administered to respondents. Data were presented using certain statistical tools such as Chi-square. The major findings of the study include: Communication of change affected the attainment of corporate goals in selected banks in Nigeria. Also revealed that there was a significant impact of effective leadership during change and the attainment of corporate goals in selected banks in Nigeria. The study recommended that change management should be well planted to ease the positive impact of change on the organization. Effective communication tools and modalities should be put in place to change the behavior of employees towards organizational change. Finally, organizations should devise change management strategies that will shape and create harmony between the employees and the organization.

Keywords: Change management, corporate goals, communication, leadership

1. Introduction

Modern business organizations operate in an environment that is very dynamic. They operate in an environment that is not static and is always experiencing change. In today's business environment, change is an inevitable occurrence. It occurs both in the internal and external environment of business (Kotter & Dan, 2002). The ever-increasing technological innovations, continuous changes in consumer needs and expectations, reforms in government policies, as well as increased advancement in information communication technology have continued to compel and influence modern firms to adjust or modify their business strategies and work processes. These factors also influenced firms to alter their organizational structures. The foregoing are all pointers to the fact that change is a fact of organizational life. Every organization must experience change at one point or the other. It should however be noted that in a modern organization, the change could be planned or unplanned. Planned change is deliberately initiated by the management of an organization to achieve certain objectives while unplanned change is one that is necisactors beyond the control of management, and in which case, management merely reacts to adjustment in those factors.

Again, whether it is planned or unplanned, there is a need for effective change management in banks. This is because change impacts some major elements or variables of an organization. These impacts of change could be negative or positive. Effective change management, therefore, reduces the negative impact of change and increases the positive impact of change in organizations. Organizational goals are the main purpose for which an organization exists. Goals are the desired end state of an action or set of activities. In a typical corporate firm, these goals are usually in three different categories namely; the corporate goals, business goals, and functional goals. Of these three major categories of goals, corporate goals are the most important (Luthans,2018). This is because corporate goals provide the foundation and direction for the attainment of organizational goals on the other levels of the organization. However, the attainment of these goals can be affected by organizational change.

Within the Nigerian economy, firms in different sectors of the economy have been experiencing change due to the dynamic nature of the Nigerian business environment. One such sector is the Nigerian banking sector. In recent times, the Nigerian banking sector has witnessed a tremendous transformation, and this transformation has, to a large extent, impacted the operations and activities of commercial banks. This transformation in the banking sector has caused the management of these banks to initiate a series of organizational change programs. Indeed, the management of these change programs has impacted immensely on the attainment of corporate goals of the bank.

The dynamic nature of the business environment has made organizational change a regular process in modern business. Quite often, managers introduce change to position their firms for the attainment of corporate goals (Samuel,2013). This is because environmental factors are usually taken into consideration before setting corporate goals as well as the strategies needed for achieving these goals. Thus, whenever there are major adjustments in these environmental factors, and organizational change program becomes inevitable. Indeed, whenever such change is introduced, its proper management thus becomes a sine qua non for the attainment of corporate goals.

It is however surprising that despite the inevitability of change, some managers still carry out change in a haphazard manner without following a well-planned and thoroughly laid down process and procedures. This, without a doubt often results in poor change management. Also, some management fails to provide effective and visionary leadership necessary for piloting the affairs of the entire organization during the transformational period (Thomas,2014). Lack of effective leadership during this period brings about a low level of commitment, motivation, and enthusiasm from employees. Indeed, these tend to affect their overall performance thereby inhibiting the attainment of corporate goals.

Again, the management of most organizations fails to effectively communicate change across the entire organization. Lack of timely, adequate, and accurate information from management to employees about the reasons and benefits of a particular change program also affects the attainment of corporate goals in these organizations. The main objective of the study is to assess the impact of change management on the attainment of corporate goals in selected banks in Nigeria. The specific objectives of this study include:

(i) To examine the impact of communication on corporate goals in selected banks in Nigeria.

(ii) To examine the impact of leadership on the attainment of corporate goals in selected banks in Nigeria.

Literature Review

Change management is a common buzzword in today's businesses. With constantly evolving business goals and strategies, change is inevitable and managing change is essential. Change management is also used as a catch-all for project activities that may otherwise be overlooked. It is thus important to understand what it is and how to use it to be effective in the discipline. Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented and for achieving lasting benefits of change. The change management focus is on the wider impacts of change, particularly on people and how they, as individuals and teams, move from the current state to the future state. The change could range from a simple process change to a major system change to achieve the organization's potential (Luthans, 2018).

Change management represents a large and rapidly growing discipline that is being increasingly deployed on a global scale by all types of organizations. It refers to a structured approach that facilitates the adoption of change by groups and individuals within an organization. The process of how organizations change draws on many disciplines from psychology and behavioral science to engineering and systems thinking. The underlying principle is that change does not happen in isolation. It impacts the whole organization and each individual associated with it.

Change can originate from external sources through technological advances, social or political pressures, or it can come from inside the organization as a management response to a range of issues such as changing client needs costs or human resources, or performance issues. It can affect one small area or the entire organization. Nevertheless, all change whether from internal or external sources, large or small, involves adopting new mindsets, processes, policies, practices, and behavior (Prosci, 2007). Irrespective of the way change originates, change management is the process of taking a planned and structured approach to help align an organization with the change. In its most simple and effective form, change management involves working with an organization's stakeholder groups to help them understand what the change means for them, helping them make and sustain the transaction, and working to overcome any challenge involved. From a management perspective, it involves the organizational and behavioral adjustments that need to be made to accommodate and sustain change (Samuel, 2013).

The underlying basis of change management is that people's capacity to change can be influenced by how change is presented to them. Their capacity to adapt to change can shrink if they misunderstand or resist the change, causing barriers and ongoing issues. The rationale is that if people understand the benefits of change, they are more likely to participate in the change and see that it is successfully carried out, which in turn means minimal disruption to the organization. Many organizations are occasionally faced with challenges that force them to adjust or change.

Development organizations, in particular, regularly have to go through change processes when having to respond to new development scenarios or simply as part of their expansion or restructuring processes. The implications of change processes are regularly underestimated by senior management and not managed adequately.

Kotter (1988) asserts that it is known that leadership can make a great difference and that its importance for organizational success is intensifying. Banks as a major sector have significant contributions to socio-economic development. The external changes that have been facing organizations provide an avenue for thinking. Managers have adopted change practices with varying levels of success. Organizational change is a constant experience. Knowledge and awareness about many of the critical issues involved in the management of such change are often lacking in those responsible for its progress.

If organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework for thinking about change and having an understanding of the key issues which accompany change management. Change has been linked to the organization's competitiveness and response to changes in the environment. Burnes (2003) states that change arises out of the need for organizations to exploit opportunities and deal with threats in the market.

Theoretical framework

The study is anchored on Kurt Lewin's three-step theory. It was propounded by Lewin in 1951. He viewed behavior as a dynamic balance of forces working in opposing directions. Driving forces facilitate change because they push employees in the desired direction. Therefore, these forces must be analyzed and Lewin (1951) provided three steps that can help shift the balance in the direction of the planned change.

According to Lewin (1951), the first step in the process is to unfreeze the existing situation or status quo. The status quo is considered the equilibrium state. Unfreezing is necessary to overcome the strains of individual resistance and group conformity. He thus argued that the equilibrium needs to be destabilized (unfrozen) before old behavior can be discarded and new behavior successfully adopted. The unfreezing stage is thus about getting the total point of understanding that change is necessary and getting ready to move away from the comfort zone.

Lewin (1951) then averred that unfreezing can be achieved by the use of three methods: First, increase the driving forces that direct behavior away from the status quo. Second, decrease the restraining forces that negatively affect the movement from the existing equilibrium. Third, find a combination of the two methods mentioned above.

The second step in this theory is change or transaction. He was aware that change is not an event, but rather a process. He called that process a transaction. According to the theory, a transaction is an inner movement or adjustment people make in reaction to a change. The second stage occurs as people make the changes that are needed. The third step of Lewin'(1951), three-step change theory is refreezing. This step needs to take place after this change has been implemented for it to be sustained over time. Change will l be short-lived and the employees will revert to their old equilibrium (behavior) if this step is not taken.

According to him, freezing simply means supporting the desired change to make sure it continues and its purpose is to stabilize the new equilibrium resulting from the change by balancing both the driving and restraining forces. Robbins (2003) opined that one action that can be used to implement Lewin's (1951) three-step, is to reinforce new patterns and institutionalize them through formal and informal mechanisms including policies and procedures. The relevance of this theory posited that the effects of forces either promote or inhibit change. Specifically, driving forces promote change while restraining forces oppose change. Hence, change will occur when the combined strength of one force is greater than the combined strength of the opposing set of forces.

Communication in change management

Communication is vital to the effective implementation of organizational change (Heathfield, 2009). The general importance of communication during planned change has already been empirically demonstrated and generally agreed upon among practitioners (Lewis, 1999). Poorly managed change communication results in rumors and resistance to change, exaggerating the negative aspects of the change (Heathfield, 2009). The picture that is slowly emerging indicates that the communication process and organizational change implementation are inextricably linked processes. Communication is important during organizational change.

According to Judson (2001), 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, and information to these employees is vital, communication with these employees should be an important and integrative part of the change efforts and strategies. The importance of communication in organizational change is demonstrated and agreed on, but specific communicative actions, approaches, and effects are still left unexplained (Lewis, 1999). He focused on how to develop messages and distinguished five different message domains within change communication. Champitt (2000) focused on the strategies used by managers in communicating organizational change.

For successful change management, it is important that everyone in the organization and those interacting with the organization, both internal and external stakeholders, are kept informed and provided with messages and information that allow them to feel engaged, thus paving the way for involvement and adoption. (Lebo & Ugo, 2020) One of the most challenging and demanding aspects of any change project is communication (Kotter & Dan, 2002).

Communication is the key way that people are engaged in change. Introducing successful change relies heavily on how the participants in the change view it. Poor change communication is a common cause of complaints and change research emphasizes that change can be derailed if the communication is ineffective (Prosci, 2007).

It has also been said that “you cannot over-communicate when you are asking your organization to change” (Heathfield, 2009). When any kind of change is announced, people are hungry for information. In the absence of sufficient information and opportunities to digest it through a two-way conversation, change can be stalled. People will continue to work as they have done in the past; or rather than risk doing the “wrong” thing, they do nothing.

Effective communication is designed to create awareness and understanding in order toikely get subsequent supportive action. The rationale is that if you want people to change, they need to invest in the changes you are asking them to make, and they are more likely to do that if they understand the benefits of the change. While not everyone has to be deeply committed to the vision for change to succeed, the majority of stakeholders must accept the need for change and commit to the direction that the organization is taking it.

Effective communication engages the hearts and minds of all stakeholders by facilitating movement along the continuum presented. Achieving effective communication requires a deliberate plan for determining who needs to understand what, why, and when. The best time to map out what communication is required to ensure people understand, accept and positively contribute to the change is in the early planning stage. Effective communication should never be an afterthought, but rather a significant part of the change plan (Heathfield, 2009). It should reflect the specific needs and complexity of the change and therefore may be formal or informal, highly detailed or broadly structured (Queensland,2007).

Leadership in change management

Today, business success increasingly depends on the ability to get people to follow you, not because they have to, but because they want to. An effective leader can maximize productivity, shape positive change and create harmony (Burnes, 2003).

A leader is someone who has the authority or power to control and influence a group of people and get them organized for a particular task or goal. A leader has a clear vision for the welfare of his organization and the development of his organization. Leadership is the process of coordinating the efforts of a group toward the direction of a common goal (Burnes, 2003). Leadership has six basic personality traits named as self-confidence, ambition, drive and tenacity, realism, etc. For effective change, a leader is the most important tool for change. The leader's spirit, insight, wisdom, compassion, values, and learning skills are all important facets in the capabilities to lead others to embrace change.

The role of leadership in any change management effort cannot be underestimated and is repeatedly cited as the number one contributor to change success (Prosci, 2007). The earlier in the project life cycle, a leader engages in the change. Change starts at the top and a leader must be the visionaries, champions, and role models for change whether change comes easily (Queensland, 2007). Successful change management requires a large commitment from an organization's leaders, regardless of whether the change is occurring in one section or across the whole organization. Change is inherently unsettling for people and when it is happening, all eyes turn to the leaders for support and direction. They play a key role in promoting and sustaining the impetus for change, and in developing and communicating a shared sense of the way forward (Queensland, 2007).

Fundamentally, the onus is on the leaders to change first, and motivate the rest of the organization (Posci, 2007). However, it is not just supported from senior leaders that are required, support from leaders at all levels is critical to the acceptance of change within an organization. Capturing the hearts and minds of key informal and formal leaders, having them committed to the change, and empowering others to act is a critical success factor. Change efforts need to be "pushed" throughout the organization, with leaders delegating both the responsibility and authority to make decisions about the change, grounded on a clear change vision, to managers at all levels.

This delegation of decision-making authority helps to reduce blockages and increase buy-in from individuals affected by the change. Leaders and managers throughout the organization should be expected to support and communicate the benefits of change to their peers and employees. Change needs to cascade through the organization, with real change happening at each level. This requires more than mere buy-in or passive agreement that the direction of change is acceptable. It demands ownership by leaders willing to accept responsibility for making change happen in all of the areas they influence or control.

Corporate goals

Setting corporate goals is a vital part of growing a business. While most small business owners are familiar with the goal-setting process while creating their business plan, they may not be setting continuous goals for growth. Several examples of corporate goals can be used for inspiration for a particular business. Corporate goals serve as a set of guiding principles for a business. They help direct business activities and motivate the selection of new projects. When they are clear, goals and objectives can promote productivity at all levels. To be effective, goals and objectives should stem from a solid understanding of who you are in a company, what you believe, how you want to work, and where you are going (Robbins, 2003).

Goals set by an organization are specific, quantifiable targets that it commits to attaining its corporate mission and objectives. Essentially, when an organization sets its specific goals, there is a need to achieve these specific targets to successfully achieve the mission and objectives of this organization. Goals are the translation of the mission and objectives of the organization into specific quantifiable terms which results can be measured (Hanna, 2005).

Corporate goals provide valuable information and guidance for management, employees, customers, and investors. Goals are organized into specific areas that require focus such as operating efficiency, profit, customer satisfaction, marketing expansion, and sustainability through outreach. Goals can be broad or narrow in scope. This section may include specific goals for marketing and promotion. Successful organizations seek ways to develop and enter markets. Corporations research to determine the potential profitability of a given market, goals are also internal. Departments such as marketing have specific goals to meet. On the whole, goals provide direction and guidance for all actions and decisions in an organization. They also serve as a basis for the evaluation of change and organizational development.

Empirical Evidence

Samuel (2013) examined the effects of change management in an organization: A case study of the National University of Rwanda (NUR). This study sought to find out the effects of change management at the National University of Rwanda. It was guided by the following specific objectives: to analyze the effect of change management on organizational culture at the National University of Rwanda; to determine the effect of change management on Organization structure at the National University of Rwanda, and to investigate the effect of change management on leadership at the National University of Rwanda. This study used a descriptive case study approach.

A purposive sample of 57 senior staff members directly involved in managing organizational change participated. Data collection was based on secondary and primary sources. The data collected from questionnaires and secondary sources were summarized according to the study themes; being change management and its effects on organizational structure, culture, and leadership. Quantitative data were analyzed using descriptive statistics like mean, mode, median, and frequencies. Results were presented in form of charts and tables for quantitative data and prose for qualitative data. This study found that there are changes in the management of faculties. There are also changes in the requirements and performance of the staff, where administrative staff is now to have at least a bachelor's degree about the positions they occupy. These changes were found to affect the organization's human resources in terms of downsizing, outsourcing, and recruiting more staff to fill some new posts.

Thomas (2014) investigated a study on Change Management and its Effects on Organizational Performance of Nigerian Telecoms Industries: Empirical Insight from Airtel Nigeria. This study, therefore, examines empirically change management and its effects on the organizational performance of Niger telecoms industries. In conducting this study, a total of 300 staff of Awereel were randomly selected from a staff population of 1000.

Three hypotheses were advanced to guide the study and 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 have a significant effect on customers patronage. The result also shows that changes in management via leadership have a significant effect on employees performance. Based on the findings of the study, the recommendation was made those telecoms industries in Nigeria be proactive to changes in such a competitive environmeto to experience smooth implementation of such changes.

2. Research Methods

This is a fundamental research study which used the survey design approach to examine the impact of change management on the attainment of corporate goals. The research design was a survey design method. The study was carried out in selected banks in Nigeria, a study of the First Bank, UBA and Union Bank in Cross River State. The population of the study was designed to capture the entire staff and management team of the selected banks. The population of this study is made up of 250 staff and simple random sampling technique was adopted in this study. Furthermore, Taro Yamane formula was used to determine the sample size. of one hundred and fifty-four. The researcher used the primary and secondary methods of gathering data for this research study. The primary research data was generated basically through a structured questionnaire which was administered to respondents while the secondary research data was sourced from articles, journals, and textbooks, etc. The researcher used a questionnaire as the principal instrument for data collection. Data were presented using certain statistical tools such as table, simple percentages and Chi-square statistical tool.

$$x^2 = \sum \frac{f(fo - fe)^2}{fe}$$

Where;

x^2 = Chi-square

fo = observed frequency

fe = expected frequency

3. Results and Discussion

The Chi-square (x^2) is the statistical tool that is used to test the reliability of the researcher whether it is accepted or rejected.

Decision rule

If $x_0^2 < x_t^2$, the researcher has the option to accept the null hypothesis (H_O) and reject the alternative hypothesis (H_A) and if $x_0^2 > x_t^2$, the researcher has the option to accept the alternative hypothesis (H_A) and reject the null hypothesis (H_O). The hypothesis was tested at 5 percent level of significance (the desired level of significance is $\propto .5$) this is done through establishing the significance level and identification of acceptance and rejection hypothesis.

Hypothesis one

H_O1: Communication does not have a significant impact on corporate goals in selected banks in Nigeria.

Calculated value	=	56.32
Degree of freedom	=	n – 1
	=	5 – 1
	=	4
Critical value of 0.05 at 4df	=	9.49

From the x^2 analysis of H_O, the calculated value is 56.32 while the critical value is 9.49. The x^2 rule states that, the calculated value is greater than the critical value (9.49). Therefore, the null hypothesis is rejected and the alternative is accepted. It is concluded that, communication affected the attainment of corporate goals in selected banks in Nigeria

Hypothesis two

H_O2: Leadership does not have a significant impact on corporate goals in selected banks in Nigeria.

Calculated value	=	61.80
Degree of freedom	=	n – 1
	=	5 – 1
	=	4
Critical value of 0.05 at 4df	=	9.49

From the x^2 analysis of H_O, the calculated value is 61.80 while the critical value is 9.49. The x^2 rule states that the calculated value is greater than the critical value (9.49). Therefore, the null hypothesis is rejected and the alternative is accepted. It is concluded that leadership affects corporate goals in selected banks. The study empirically examined the impact of change management on the attainment of corporate goals in selected banks in Nigeria. It was discovered that change management has a significant impact on corporate goals.

Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented and for achieving the benefits of change. He posits that change management ranges from a simple process change to a major system, to achieve the organization's potential. It was discovered that communication positively affected the attainment of corporate goals. The finding conforms to the works of Heathfield (2009) who viewed that, communication is vital to the effective implementation of organizational change. It was discovered that leadership has a significant impact on the attainment of corporate goals. The finding conforms to the works of Burnes (2003) who postulated that effective leader can maximize productivity, shape positive change and create harmony.

Summary of Findings

The major findings of the study include:

1. Communication of change affected the attainment of corporate goals in selected banks in Nigeria.
2. Leadership of change has a significant impact on the attainment of corporate goals in selected banks in Nigeria.

4. Conclusion/Recommendations

The study portrays the impact of change management on the attainment of corporate goals in selected banks in Nigeria. Based on the analysis, it was revealed that change management has a significant impact on corporate goals, communication of change affected the attainment of corporate goals and there is a significant impact of leadership during change and the attainment of corporate goals.

Modern business organizations operate in an environment that is very dynamic, they operate in an environment that is not static and is always experiencing change. Change is an inevitable occurrence that occurs both in the internal and external environment of a business. Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented and for achieving the benefits of change. The following recommendations are proffered:

1. Effective communication tools and modalities should be put in place to change the behavior of employees towards organizational change.
2. The organization should devise change management strategies that will shape and create harmony between the employees and the organization.

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