Mini Review Paper

An Overview of the Effect of Change Management on Employee Engagement

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Abstract

Change is the ultimate reality in this world. Organization too changes because of various complex and unstable factors. Managing employee engagement during the time of organizational change is a key managerial challenge. This paper provides basic information about the concept of change management and employee engagement, explains the relationship between the two concepts, drivers and significance of employee engagement and the barriers to engagement during the times of change.

Keywords: Change management, Employee engagement, Change management strategies, Drivers of engagement.

Introduction

Change can be defined as "a new state of things which stand apart from the old state of things". When we talk of organizational change, it may be favorable for some and not for some other. Change in the organization may impact the process, the system, organizational structure or the job roles itself. Thus it creates a state of fear, anxiety and restlessness among employees. They make apprehensions about the change and do not accept the change instantly. Therefore, it is increasingly felt that the change process in the organization needs to be managed. The underlying philosophy behind change management is that how change is presented before people is having an important bearing on people's attitude towards change. People's attitude towards change can be modified by explaining them the benefits of change. Once people accept the change, it will cause minimal disruption to the organization.

Change Management

Change management is an organized process of preparing an organization for change initiatives and striking a balance between constant environmental changes and business practices. Thus change management can be defined as an innovative strategy to deal with a sudden and speedy change. It can cover almost every area of an organization like organization and governance structure, planning and controlling, product development, customer satisfaction etc.

Frans opines that change management involves planning, initiating, controlling and finally stabilizing the change processes both on a corporate and a personal level. Change management is applicable to projects that are stable and unique in their own way and the projects which are evolutionary[1].
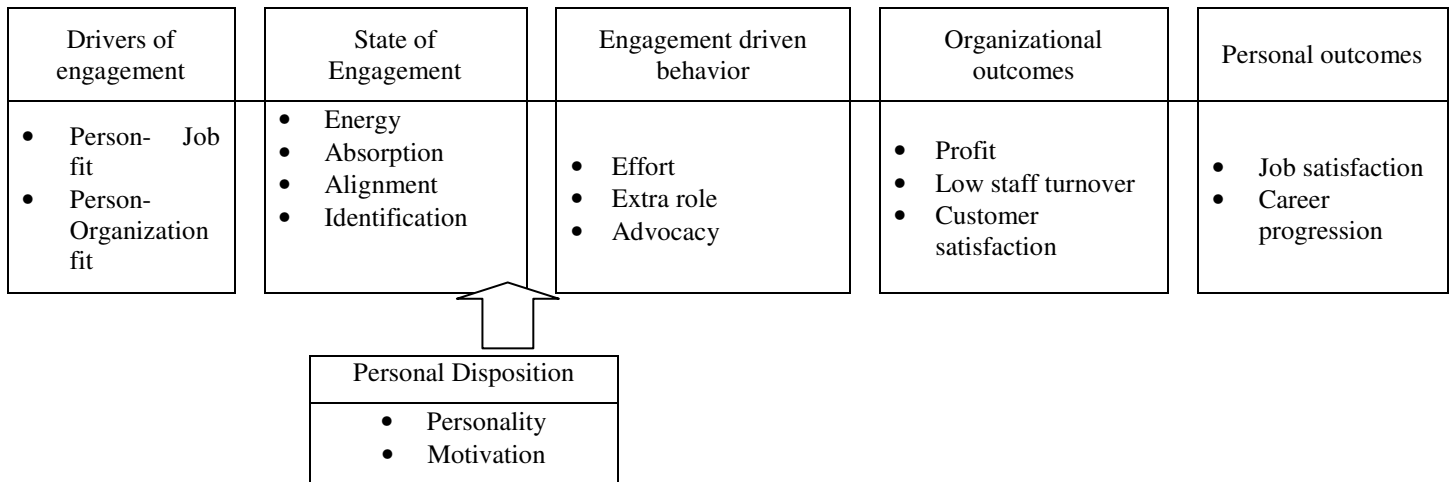
Kurt Lewin asserts that generally employees are fear of change and they want to avoid it. They are comfortable in a stable and unchanging environment. He proposed a very popular three stage model to overcome the employee hesitance towards change. The three stage model involves: i. Unfreezing the old ways and attitudes. ii. Establishing a new vision and learning through inclusion, training and empowerment. iii. Refreezing this new behavior through support, reinforcement and feedback[1]

Employee Engagement: Though the concept of employee engagement is a new construct, it has gained wide popularity both among management practitioners and academicians. Kahn was the first to use the term and theorize about work related behavior. He described engaged employees as being fully physically, cognitively and emotionally connected with their work roles[2]. The definition put forward by Schaufeli et al is considered to be the most popular and globally accepted. According to him engagement is "a positive, fulfilling, work related state of mind that is characterized by vigor, dedication and absorption[2]."

A better fit between the employee expectations and the availability of them leads to a higher level of engagement. When employees are better engaged in the workplace, they display behaviors like putting more effort in the work, performing extra roles in the work place etc, which are beneficial to the organization.

When employees exert this kind of behavior, the organization is more likely to get some extra benefits in terms of low staff turnover, customer satisfaction etc. Because of high engagement in the workplace, the employees get personal benefits too. They are more satisfies with their job and they progress well in their career. Lastly, the personal dispositions of the employee like their motivation level affect the entire model. The personality and motivation of the employees determines their preferences in the workplace, the effort they put in their task etc.

Drivers of engagement	State of Engagement	Engagement driven behavior	Organizational outcomes	Personal outcomes
• Person- Job fit • Person- Organization fit	• Energy • Absorption • Alignment • Identification	• Effort • Extra role • Advocacy	• Profit • Low staff turnover • Customer satisfaction	• Job satisfaction • Career progression

Personal Disposition
• Personality
• Motivation

Source: Handbook of employee engagement[3]

Figure-1
Model of Employee Engagement

The Relationship between change management and employee engagement: Multiple studies by different researchers have established a positive link between the change management initiative and employee engagement[4-5]. Vance asserted in a study for Society for Human Resource Management, that "the greater an employee's engagement, the more likely he or she is to' go the extra mile' and delivers excellent on the job performance[6]". Thus, during the change management initiative in the organization if the employees are highly engaged then their acceptance for the change is likely to have increased which leads to improved performance of the employees. When the performances of the employees are superior the organization is going to achieve more success.

In order to identify the obstacles in the path of change implementation process, Goodman and Rousseau have developed a linkage analysis. The analysis consists of various interlinked stages. An important stage of this linkage analysis is mapping of the change pathway that will result in a positive feedback system and knowledge sharing will ultimately lead to improved engagement performance[7]. In a similar fashion Guy and Beauman identified "engagement and alignment" as crucial factors that influence change management[8].

For making the change initiatives more acceptable and successful in the organization, Price and Chahal have prepared a six step strategy. According to them preparing the organization for the change process is the first important phase for change management. Developing the vision and implementation plan, checking or reviewing, communicating and building workforce engagement, implementation and evaluations are the other successive phases of change management practices[9].

Aon Hewitt conducted a study among the U.S professionals and concluded that organizational change including Mergers and Acquisitions (M&A), strategy transformation, restructuring etc.

have an important bearing on engagement[10]. In his study Aon found that during restructuring and strategy transformation, the number of highly engaged employees does not change but the number of highly disengaged employees increases significantly. During M&A, the number of highly engaged employees reduces. By contrast, more employees seem to be engaged during the time of acquisitions that has no impact on their job. Perhaps, employee expects more positive change in future around their organization. Involvement in decision making, clear understanding of the career path, personal sacrifice of the coworkers for organizational benefit, encouragement for development by the organization and a two way communication between the organization and the employees acts as drivers of employee engagement during the times of organizational change.

Barriers to engagement during the time of organizational change: Enhancing employee engagement is a very big managerial challenge as engagement is a continuous process and it requires continuous interaction between the manager and the employees[11-12]. Strong and effective communication, collaboration, free flow of information, trust and effective problem solving are the key drivers of both employee engagement and organizational change[5]. If any one of these drivers are underestimated or ignored, then it will become difficult for the organization to initiate and manage the change process in the organization and it will also act as a barrier for employee engagement.

Schmidt and Jackson in their study of change and balanced culture have identified five barriers to change initiative with respect to culture: i.assuming culture to be easy, ii. underrating the senior leadership support, iii. implementing the change initiative with the same people who created the current reality, iv. belittle resistance and v. unwillingness to change yourself. Out of these five barriers, first one i.e., believing culture is the

easy work is the most important barrier for employee engagement.

Conclusion

The concept of employee engagement is not very old. Though there is enormous study on employee engagement and researchers have tried to find out various drivers of employee engagement, very little study has been done on finding out the effect of change management on employee engagement. Employee engagement is the pre condition for successful organizational change initiative. Further research in this direction can generate models for high employee engagement during the times of change in the organization that will have significant managerial and organizational implications.

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