

نموذج المشروع النهائي 2

Midocean University

Faculty of Management

Department/ Specialization



Project title

**The Impact of Organizational Change Management
on Improving Institutional Performance**

أثر إدارة التغيير التنظيمي على تحسين الأداء المؤسسي

Student name

Noora Turkey AlOtaibi

Final Project – 2

Faculty of Management - Midocean University

Supervisor

Dr. Abdul Rahim Nader

MGM497

Faculty member- Faculty of management- Midocean University

Contents

Introduction	5
1.2 Study Problem	7
1.2.1 Theoretical Gaps	7
1.2.2 Practical Gaps	7
Main Research Question:	8
1.3 Significance of the Study	8
1.3.1 Theoretical Significance.....	8
1.3.2 Practical Significance.....	8
1.4 Research Questions	9
1.5 Research Objectives.....	9
1.6 Research Hypotheses	10
1.7 Research Model	10
1.8 Field Study.....	11
1.9 Project Plan.....	11
1.3 Study Significance	11
1.3.1 Theoretical Significance.....	12
1.3.2 Practical Significance.....	13
Chapter 2: Literature Review	14
2.1 Introduction	14
2.2 Organizational Change Management (OCM)	14
2.2.1 Definition of Organizational Change Management	14
2.2.2 Dimensions of Organizational Change Management.....	15
2.3 Institutional Performance	16
2.3.1 Definition of Institutional Performance	16
2.3.2 Dimensions of Institutional Performance	16
2.4 Previous Studies.....	17

2.5 Research Gap18

2.6 Conceptual Framework18

2.7 Chapter Summary19

Appendix A: Questionnaire20

Questionnaire.....20

 Section A: Organizational Change Management (Independent Variable).....20

 Section B: Institutional Performance (Dependent Variable).....21

Table of Research Instruments22

References24

Introduction

In today's rapidly changing business environment, organizations are continuously exposed to economic, technological, social, and political changes that require them to adapt and evolve in order to survive and remain competitive. The acceleration of globalization, digital transformation, and market competition has made change an inevitable aspect of organizational life. Consequently, organizations are increasingly seeking effective strategies that enable them to manage change successfully while maintaining high levels of efficiency and productivity. (Kotter, 2012; Burnes, 2017) Among these strategies, Organizational Change Management (OCM) has emerged as a critical managerial approach that facilitates organizational adaptation and enhances overall performance.

Organizational Change Management refers to the systematic process of planning, implementing, and monitoring changes in organizational structures, strategies, technologies, and human resources to achieve desired objectives and improve organizational effectiveness. It aims to help organizations respond effectively to internal and external pressures while minimizing resistance to change and maximizing employee engagement. (Burnes, 2017) On the other hand, Institutional Performance represents the ability of an organization to achieve its goals efficiently and effectively through optimal utilization of resources, high-quality services, innovation, and sustainable growth. Therefore, the relationship between organizational change management and institutional performance has become an important topic of interest for researchers and practitioners alike.

Previous studies have emphasized the significant role of change management in enhancing institutional performance. Organizations that successfully implement change initiatives are more likely to improve their operational efficiency, increase

employee satisfaction, foster innovation, and strengthen their competitive advantage. Effective change management practices contribute to creating a flexible organizational culture capable of responding to environmental uncertainties and emerging challenges. (Kaplan & Norton, 1996) However, many organizations still encounter difficulties in implementing change due to factors such as employee resistance, inadequate communication, lack of leadership support, and insufficient resources. These challenges may negatively affect the success of change initiatives and consequently hinder improvements in institutional performance.

Despite the growing body of literature addressing organizational change management and institutional performance, there is still a need for further investigation into the nature of the relationship between these two variables and the factors that influence this relationship. Previous studies have reported varying results regarding the extent to which change management practices contribute to improving institutional performance, particularly across different organizational contexts and sectors. (Warrick, 2017) This inconsistency highlights a research gap that warrants further examination and provides a strong justification for conducting the present study.

Accordingly, this study aims to examine the impact of Organizational Change Management on improving Institutional Performance. Specifically, it seeks to explore the concept and dimensions of organizational change management, identify the indicators of institutional performance, and analyze the relationship between them. (Al-Haddad & Kotnour, 2015; Todnem By, 2005) The findings of this study are expected to contribute to the existing body of knowledge and provide practical recommendations that may assist organizations in adopting effective change management strategies to enhance their performance and achieve sustainable success.

1.2 Study Problem

In recent years, organizations have been facing rapid environmental, technological, and economic changes that require them to continuously adapt to maintain their competitiveness and sustainability. Organizational Change Management (OCM) has become an essential managerial practice that enables organizations to cope with these changes and improve their overall performance. Despite its importance, many organizations still struggle to implement change initiatives effectively, which may negatively affect their institutional performance. (Burnes, 2017) Therefore, there is a need to investigate the impact of Organizational Change Management on improving Institutional Performance from both theoretical and practical perspectives.

1.2.1 Theoretical Gaps

Several studies have discussed Organizational Change Management and Institutional Performance separately. However, there is still a lack of comprehensive studies that investigate the direct relationship between OCM and Institutional Performance in an integrated framework. Moreover, previous studies have produced inconsistent findings regarding the extent to which change management practices influence institutional outcomes. (Kotter, 2012) Therefore, this study seeks to fill this theoretical gap by providing a comprehensive understanding of the relationship between Organizational Change Management and Institutional Performance.

1.2.2 Practical Gaps

From a practical perspective, many organizations experience difficulties in implementing change initiatives due to employee resistance, inadequate communication, insufficient leadership support, and limited resources. These

challenges often lead to unsatisfactory organizational outcomes and reduced institutional performance. Consequently, there is a need for empirical studies that provide practical evidence and recommendations to help organizations effectively manage change and enhance their performance.

Main Research Question

What is the impact of Organizational Change Management on improving Institutional Performance?

1.3 Significance of the Study

1.3.1 Theoretical Significance

This study contributes to the existing literature by enriching the theoretical understanding of Organizational Change Management and its relationship with Institutional Performance. (Al-Haddad & Kotnour, 2015; Todnem By, 2005) It also provides a conceptual framework that may serve as a reference for future researchers interested in this field.

1.3.2 Practical Significance

The study provides practical insights for managers and decision-makers regarding effective change management practices that can improve institutional performance. In addition, it offers recommendations that may help organizations overcome challenges associated with organizational change and achieve sustainable growth.

1.4 Research Questions

1. What is Organizational Change Management and what are its main dimensions?
2. What is Institutional Performance and how can it be measured?
3. What is the relationship between Organizational Change Management and Institutional Performance?
4. To what extent does Organizational Change Management affect Institutional Performance?
5. What are the challenges that organizations face when implementing Organizational Change Management?

1.5 Research Objectives

The main objective of this study is to examine the impact of Organizational Change Management on improving Institutional Performance.

The specific objectives are:

1. To identify the concept and dimensions of Organizational Change Management.
2. To explain the concept and indicators of Institutional Performance.
3. To investigate the relationship between Organizational Change Management and Institutional Performance.
4. To assess the impact of Organizational Change Management on Institutional Performance.
5. To provide recommendations that help organizations improve their performance through effective change management.

1.6 Research Hypotheses

H1: Organizational Change Management has a significant positive effect on Institutional Performance.

H1a: Leadership support positively influences Institutional Performance.

H1b: Effective communication positively influences Institutional Performance.

H1c: Employee participation positively influences Institutional Performance.

H1d: Organizational culture positively influences Institutional Performance.

1.7 Research Model

Independent Variable (IV):

- Organizational Change Management
 - Leadership Support
 - Effective Communication
 - Employee Participation
 - Organizational Culture

Dependent Variable (DV):

- Institutional Performance

1.8 Field Study

The field study will be conducted on employees working in selected organizations. Data will be collected using a structured questionnaire designed to measure Organizational Change Management practices and Institutional Performance. (Burnes, 2017; Warrick, 2017) The collected data will be analyzed using appropriate statistical methods to test the research hypotheses and answer the research questions.

1.9 Project Plan

The project will be conducted according to the following stages:

1. Selection of the research topic.
2. Review of related literature.
3. Development of the conceptual framework and hypotheses.
4. Design of the research instrument (questionnaire).
5. Data collection from the selected organizations.
6. Data analysis and interpretation.
7. Discussion of findings and recommendations.
8. Preparation of the final research report.

1.3 Study Significance

The significance of this study stems from the increasing importance of Organizational Change Management (OCM) as a strategic approach that enables organizations to adapt to rapid environmental changes and enhance their institutional

performance. In today's dynamic business environment, organizations are constantly challenged by technological advancements, globalization, market competition, and changing customer expectations. (Kotter, 2012) Therefore, understanding how organizational change management contributes to improving institutional performance is of great value for both academics and practitioners. The significance of this study can be discussed from two perspectives: theoretical significance and practical significance.

1.3.1 Theoretical Significance

From a theoretical perspective, this study contributes to enriching the existing body of knowledge related to Organizational Change Management and Institutional Performance. Although numerous studies have examined these two concepts separately, there is still a need for more comprehensive research that investigates the relationship between them in an integrated framework. Therefore, this study attempts to bridge this gap by exploring how organizational change management practices influence institutional performance and identifying the mechanisms through which this relationship occurs. (Al-Haddad & Kotnour, 2015)

Furthermore, the study provides a conceptual framework that integrates different dimensions of Organizational Change Management, such as leadership support, communication, employee participation, and organizational culture, with various indicators of Institutional Performance. This framework may serve as a valuable reference for future researchers interested in examining similar relationships in different organizational contexts or industries.

In addition, the findings of this study may contribute to the development of management theories related to organizational change and performance

improvement by providing empirical evidence regarding the effectiveness of change management practices. (Todnem By, 2005) Consequently, the study enriches the academic literature and opens new avenues for future research in the fields of management, organizational behavior, and strategic leadership.

1.3.2 Practical Significance

From a practical perspective, this study is expected to provide valuable insights for managers, decision-makers, and organizational leaders regarding the importance of implementing effective Organizational Change Management practices. The results of this study may help organizations understand how to plan, implement, and manage change initiatives successfully while minimizing resistance to change and maximizing employee commitment and engagement. (Warrick, 2017)

Moreover, the study offers practical recommendations that can assist organizations in improving their institutional performance by enhancing operational efficiency, increasing employee productivity, promoting innovation, and strengthening competitive advantage. (Robbins & Judge 2022) By identifying the factors that contribute to successful change management, organizations can develop more effective strategies to cope with environmental uncertainties and achieve sustainable growth.

The practical significance of this study also extends to employees, as effective change management practices create a supportive work environment that encourages participation, collaboration, and continuous learning. This can lead to higher levels of job satisfaction and organizational commitment, which ultimately contribute to improved institutional performance.

Finally, the findings of this study may assist policymakers and organizational consultants in designing policies and intervention programs that support successful organizational transformation and long-term organizational success. (Aguinis 2019) Therefore, the study provides practical benefits not only for organizations but also for all stakeholders involved in the process of organizational change and performance improvement.

Chapter 2: Literature Review

2.1 Introduction

This chapter reviews the literature related to Organizational Change Management (OCM) and Institutional Performance (IP). It discusses the concepts, dimensions, and theories associated with these variables, examines previous studies, and identifies the research gap that justifies the current study. Al-Haddad & Kotnour (2015)

2.2 Organizational Change Management (OCM)

2.2.1 Definition of Organizational Change Management

Organizational Change Management refers to the systematic approach used by organizations to transition individuals, teams, and processes from a current state to a desired future state. It involves planning, implementing, and monitoring changes to ensure that organizational objectives are achieved effectively and efficiently.

According to Kotter (2012), organizational change is the process of helping organizations adapt to changing environments by creating a vision, empowering employees, and institutionalizing new approaches. Burnes (2017) defined change management as a continuous process of aligning organizational structures, culture, and strategies with environmental demands.

2.2.2 Dimensions of Organizational Change Management

The present study focuses on four major dimensions of OCM:

a) Leadership Support

Leadership support refers to the commitment and involvement of top management in planning and implementing organizational change. Leaders play a crucial role in motivating employees, communicating the vision of change, and allocating resources necessary for successful transformation.

b) Effective Communication

Communication is essential for explaining the reasons for change, reducing uncertainty, and encouraging employee participation. Effective communication ensures that employees understand the objectives and benefits of change initiatives.

c) Employee Participation

Employee participation involves engaging employees in decision-making processes related to change. Participation increases employees' commitment and reduces resistance to change.

d) Organizational Culture

Organizational culture represents the shared values, beliefs, and norms that influence employees' behavior. A supportive culture facilitates acceptance of change and promotes innovation and continuous improvement.

2.3 Institutional Performance

2.3.1 Definition of Institutional Performance

Institutional Performance refers to the ability of an organization to achieve its strategic goals effectively and efficiently through optimal utilization of resources. It reflects how well an organization performs in terms of productivity, quality, innovation, and customer satisfaction.

Kaplan and Norton (1996) argued that institutional performance should be measured using both financial and non-financial indicators to provide a comprehensive view of organizational success.

2.3.2 Dimensions of Institutional Performance

The dimensions of Institutional Performance include:

a) Operational Efficiency

Operational efficiency refers to the ability of an organization to maximize outputs while minimizing costs and resource utilization.

b) Employee Productivity

Employee productivity measures the effectiveness of employees in achieving organizational objectives and contributing to organizational success.

c) Innovation

Innovation refers to the organization's ability to develop new ideas, products, or processes that improve performance and competitiveness.

d) Customer Satisfaction

Customer satisfaction reflects the extent to which an organization meets or exceeds customer expectations regarding products or services.

2.4 Previous Studies

Several studies have investigated the relationship between Organizational Change Management and Institutional Performance.

Al-Haddad and Kotnour (2015) proposed an integrated model of organizational change and found that effective change management practices positively influence organizational outcomes and performance.

Todnem By (2005) critically reviewed the literature on organizational change management and emphasized that successful change initiatives depend on leadership, communication, and employee involvement.

Warrick (2017) highlighted the role of organizational culture in supporting change and improving organizational performance, concluding that organizations with adaptive cultures achieve superior results.

Burnes (2017) argued that organizations capable of managing change effectively are more likely to achieve sustainable competitive advantages and improve institutional performance.

2.5 Research Gap

Although previous studies have examined Organizational Change Management and Institutional Performance extensively, most of them focused on either change management practices or performance outcomes separately. In addition, the findings of previous studies regarding the relationship between OCM and Institutional Performance are inconsistent and vary across organizational contexts.

Therefore, there is a need for further research that investigates the impact of Organizational Change Management on Institutional Performance using an integrated framework that incorporates leadership support, communication, employee participation, and organizational culture. The current study seeks to fill this gap and provide empirical evidence regarding this relationship.

2.6 Conceptual Framework

The conceptual framework of this study assumes that Organizational Change Management is the independent variable, consisting of four dimensions:

- Leadership Support
- Effective Communication
- Employee Participation
- Organizational Culture

These dimensions are expected to positively influence the dependent variable:

- Institutional Performance

The framework proposes that effective implementation of Organizational Change Management practices leads to improvements in Institutional Performance.

2.7 Chapter Summary

This chapter reviewed the literature related to Organizational Change Management and Institutional Performance. It discussed their definitions, dimensions, previous studies, and identified the research gap. The next chapter will describe the research methodology adopted to investigate the relationship between Organizational Change Management and Institutional Performance.

Appendix A: Questionnaire

Questionnaire

Title: The Impact of Organizational Change Management on Improving Institutional Performance

Dear Participant,

This questionnaire is designed for academic research purposes to investigate the impact of Organizational Change Management on Institutional Performance. Your responses will be treated confidentially and will be used only for scientific research.

Please indicate your level of agreement with the following statements using the scale below:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

Section A: Organizational Change Management (Independent Variable)

Dimension 1: Leadership Support

LS1. Top management actively supports organizational change initiatives.

LS2. Leaders communicate a clear vision for change.

LS3. Management provides sufficient resources for implementing change.

LS4. Leaders motivate employees to accept change.

Dimension 2: Effective Communication

- EC1. Information about organizational changes is communicated clearly.
- EC2. Employees are informed about the objectives of change initiatives.
- EC3. Communication channels are effective during change processes.
- EC4. Feedback from employees is encouraged during change implementation.

Dimension 3: Employee Participation

- EP1. Employees participate in decisions related to organizational change.
- EP2. Employees are encouraged to share ideas regarding change initiatives.
- EP3. Employees feel involved in the change process.
- EP4. Participation reduces resistance to change.

Dimension 4: Organizational Culture

- OC1. The organizational culture encourages innovation and change.
- OC2. Employees are open to new ideas and practices.
- OC3. Collaboration and teamwork are promoted within the organization.
- OC4. The organization adapts quickly to environmental changes.

Section B: Institutional Performance (Dependent Variable)

Dimension 1: Operational Efficiency

- OE1. The organization effectively utilizes its resources.
- OE2. Organizational processes are efficient and well coordinated.
- OE3. The organization achieves its objectives with minimal waste.

Dimension 2: Employee Productivity

PR1. Employees perform their tasks efficiently.

PR2. Employee productivity has improved over time.

PR3. Employees contribute effectively to organizational goals.

Dimension 3: Innovation

IN1. The organization continuously introduces innovative ideas.

IN2. The organization encourages creativity among employees.

IN3. Innovation contributes to improving organizational performance.

Dimension 4: Customer Satisfaction

CS1. Customers are satisfied with the organization's products/services.

CS2. The organization responds effectively to customer needs.

CS3. Customer satisfaction is continuously monitored and improved.

Thank you for your valuable participation.

Table of Research Instruments

Variable	Dimension	Code	Number of Items	Measurement Scale	Source
Organizational Change Management	Leadership Support	LS	4	Five-point Likert Scale	Kotter (2012); Burnes (2017)
Organizational Change Management	Effective Communication	EC	4	Five-point Likert Scale	Al-Haddad & Kotnour (2015)

Organizational Change Management	Employee Participation	EP	4	Five-point Likert Scale	Todnem By (2005)
Organizational Change Management	Organizational Culture	OC	4	Five-point Likert Scale	Warrick (2017)
Institutional Performance	Operational Efficiency	OE	3	Five-point Likert Scale	Kaplan & Norton (1996)
Institutional Performance	Employee Productivity	PR	3	Five-point Likert Scale	Aguinis (2019)
Institutional Performance	Innovation	IN	3	Five-point Likert Scale	Robbins & Judge (2022)
Institutional Performance	Customer Satisfaction	CS	3	Five-point Likert Scale	Kaplan & Norton (1996)

Total Number of Items = 28 Items

Measurement Scale:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

References

Aguinis, H. (2019). *Performance management* (4th ed.). Chicago Business Press.

Al-Haddad, S., & Kotnour, T. (2015). Integrating the organizational change literature: A model for successful change. *Journal of Organizational Change Management*, 28(2), 234–262. <https://doi.org/10.1108/JOCM-11-2013-0215>

Armenakis, A. A., & Bedeian, A. G. (1999). Organizational change: A review of theory and research in the 1990s. *Journal of Management*, 25(3), 293–315. <https://doi.org/10.1177/014920639902500303>

Burnes, B. (2017). *Managing change* (7th ed.). Pearson Education.

Cameron, E., & Green, M. (2024). *Making sense of change management: A complete guide to the models, tools and techniques of organizational change* (6th ed.). Kogan Page.

Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: Translating strategy into action*. Harvard Business School Press.

Kotter, J. P. (2012). *Leading change*. Harvard Business Review Press.

Moran, J. W., & Brightman, B. K. (2001). Leading organizational change. *Career Development International*, 6(2), 111–118. <https://doi.org/10.1108/13620430110383438>

Robbins, S. P., & Judge, T. A. (2022). *Organizational behavior* (19th ed.). Pearson.

Todnem By, R. (2005). Organisational change management: A critical review. *Journal of Change Management*, 5(4), 369–380. <https://doi.org/10.1080/14697010500359250>

Warrick, D. D. (2017). What leaders need to know about organizational culture. *Business Horizons*, 60(3), 395–404. <https://doi.org/10.1016/j.bushor.2017.01.011>