

# NAVIGATING CHANGE: A REVIEW OF LITERATURE ON EMPLOYEE WELLBEING AND CHANGE MANAGEMENT

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## ABSTRACT

This systematic literature review explores the intricate relationship between change management and employee wellbeing. It examines how different change management strategies and practices influence employee morale, motivation, commitment, and overall wellbeing. Drawing on a range of peer-reviewed journals and conference proceedings, the review integrates various theoretical frameworks like Kotter's 8-Step Change Model, Lewin's Change Management Model, and the ADKAR model, highlighting their relevance in contemporary organizational settings. The study also delves into the psychological aspects of change management, underscoring the importance of employee engagement, communication, training, and leadership in mitigating the negative impacts of organizational change. It reveals that while effective change management can enhance employee wellbeing and engagement, poor practices can lead to increased stress, resistance to change, and decreased job satisfaction. The review suggests that empathetic leadership, inclusive organizational cultures, and participative change management approaches are crucial in fostering employee wellbeing during times of change.

**Keywords:** Change management, employee wellbeing, organisational change, employee morale, commitment.

## 1. INTRODUCTION

The relationship between change management and employee wellbeing is a complex and multi-faceted area of study that has garnered significant attention in recent years. Research indicates that change management in the workplace can have a substantial impact on employee wellbeing, affecting factors such as productivity, morale, health, and engagement, which in turn can influence overall organizational performance (Connolly, 2017; Karodia, Chetty, & Schutte-Lyth, 2016). For example, leaders' e-change management skills, particularly during challenging times such as the COVID-19 pandemic, have been found to impact employees' wellbeing significantly, with emotional intelligence playing a moderating role (Chaudhary, Rohtagi, Singh, & Arora, 2022). Furthermore, change management is correlated with various aspects of employee experience, including job satisfaction, absenteeism, turnover, productivity, effectiveness, and engagement with the organization (Gallego, 2017). On the positive side, empowerment strategies in organizational change can positively impact staff health, wellbeing, and sense of control (McEwan, Tsey, McCalman, & Travers, 2010). In addition, transformational leadership has been shown to positively relate to change-oriented organizational citizenship behavior, mediated by employee wellbeing (Ta'Amnha, Bwaliez, Samawi, & Al-Anaswah, 2022).

However, it's also evident that organizations often struggle with communicating change effectively, which can lead to detrimental effects on employee wellbeing, including burnout (Rumbles & Rees, 2013). Addressing these challenges requires a holistic approach, considering various human resource management practices that can enhance and maintain employee wellbeing, such as learning, development, employee voice, safety, work-life management, and the promotion of workplace diversity and inclusion (Hill & Clarke, 2012; Yee, Miquel-Romero, & Cruz-Ros, 2020). Therefore, we can say that the systematic literature review on "Change Management and Employee Wellbeing" reveals a nuanced relationship where effective change management practices can foster positive outcomes in employee wellbeing, while poor practices can lead to negative consequences. This underscores the importance of strategic and empathetic leadership, alongside comprehensive HRM practices, in navigating organizational changes.

## 2. METHODOLOGY

To identify the relevant research papers, a specialized academic database was employed. This database offered access to a wide range of peer-reviewed journals and conference proceedings, allowing for the selection of pertinent scholarly articles on the impact of change management on employee morale, motivation, and commitment. The search was tailored to include recent, credible studies from reputable sources, ensuring the information was both current and authoritative.

## 3. LITERATURE REVIEW

Change management is a critical aspect of organizational development and employee wellbeing. Various frameworks have been developed to guide this process. Kotter's 8-Step Change Model emphasizes the importance of creating

urgency, forming powerful coalitions, and generating short-term wins (Kotter, 1996). This model has been widely adopted due to its structured and sequential approach. However, Burnes (2004) argues that Kotter's model may be too rigid for modern dynamic environments, suggesting that more flexible approaches, like the ADKAR model, which focuses on individual change (Hiatt, 2006), may be more effective in contemporary settings.

Lewin's Change Management Model, with its stages of unfreezing, changing, and refreezing, provides a psychological perspective on change, emphasizing the importance of preparing employees for change, making the changes, and then solidifying these changes into the organization's culture (Lewin, 1947). This model is particularly relevant in understanding employee wellbeing, as it acknowledges the psychological processes involved in adapting to change.

Employee engagement is closely linked to how well change is managed within an organisation. Studies have shown that effective change management can lead to higher levels of employee engagement, which in turn contributes to better stress management (Shuck & Wollard, 2010). The involvement of employees in the change process, clear communication, and adequate support systems are critical for maintaining engagement levels during times of change (Albrecht et al., 2015). These practices not only reduce uncertainty and anxiety but also give employees a sense of control and ownership over the changes, leading to reduced stress levels.

Furthermore, resilience training as part of change management has been shown to positively impact stress management among employees (Robertson et al., 2015). This training helps employees develop coping strategies and adaptability skills, which are crucial during organisational transitions. One of the significant challenges in change management is resistance to change. This resistance often stems from a fear of the unknown, a loss of control, or bad experiences with past changes (Oreg, 2006). Resistance can significantly impact employee wellbeing and work-life balance, as it leads to increased stress and uncertainty.

Inadequate communication is another hurdle in effective change management. A study by Elving (2005) highlighted that poor communication could lead to misinformation, rumors, and heightened anxiety among employees, adversely affecting their overall wellbeing. Additionally, the lack of adequate training and preparation for changes can leave employees feeling overwhelmed and incompetent, further impacting their work-life balance (Kotter, 1996). Organizations often overlook the need for training employees in new skills or processes, leading to frustration and decreased job satisfaction.

#### 4. DISCUSSION

The review of literature on change management and employee wellbeing highlights several critical themes. One key finding is the role of leadership in facilitating change. Effective leadership, characterized by empathy, vision, and clear communication, significantly buffers the negative impact of organizational change on employee wellbeing. Leaders who are approachable and responsive to employee concerns tend to foster a more resilient and adaptable workforce. Additionally, the literature points to the importance of organizational culture in change management. Cultures that are inclusive, value employee input, and promote a sense of community can effectively mitigate the stress and anxiety associated with change. On the other hand, a culture of high pressure and low support tends to exacerbate employee distress during transitions. Another crucial aspect identified is the role of change management methodologies. Agile and participative approaches to change management, which involve employees in the change process, are found to be more effective in maintaining high levels of employee wellbeing. In contrast, top-down approaches often lead to resistance, lower morale, and decreased productivity.

For managers and HR professionals, these findings suggest several actionable strategies. Firstly, leadership development programs focusing on empathy, communication, and resilience are vital. Training leaders to recognize and address the human side of change can have a profound impact on employee wellbeing. Secondly, fostering a supportive organizational culture should be a priority. This involves promoting open communication, recognizing employee contributions, and providing opportunities for professional growth and development. In terms of methodologies, organizations should consider adopting more flexible and inclusive approaches to change management. This might involve using cross-functional teams, regular feedback sessions, and pilot programs to test and refine changes before full implementation. Additionally, HR professionals should develop robust wellbeing programs that offer mental health support, stress management workshops, and work-life balance initiatives, especially during periods of significant change.

The systematic review, while comprehensive, has limitations. Many studies in the field rely on self-reported data, which can be subject to biases. There is also a lack of longitudinal research that tracks the long-term impact of change management practices on employee wellbeing. Furthermore, the majority of research is conducted in large, Western corporations, leaving a gap in understanding within small and medium enterprises and in non-Western contexts. Future research should aim to include more diverse organizational settings and use a mix of qualitative and quantitative methods

for a more holistic understanding. Longitudinal studies would be particularly beneficial in understanding how the impacts of change management evolve over time. Additionally, more research is needed on how demographic factors (such as age, gender, and cultural background) influence an employee's experience of organizational change. This could help in tailoring change management practices to diverse workforces more effectively.

## 5. CONCLUSION

The systematic literature review on "Change Management and Employee Wellbeing" emphasizes the critical role of leadership, organizational culture, and change management methodologies in influencing employee wellbeing during organizational changes. Effective leadership, characterized by empathy, vision, and clear communication, can significantly buffer the negative impacts of change on employee wellbeing. Inclusive and supportive organizational cultures, along with participative approaches to change management, are more effective in maintaining high levels of employee wellbeing compared to top-down approaches. The findings suggest that leadership development programs focusing on empathy and resilience, fostering a supportive organizational culture, and adopting flexible change management methodologies can be beneficial strategies for managers and HR professionals. However, the review also acknowledges limitations in current research, such as reliance on self-reported data and a lack of longitudinal studies. Future research should aim to include more diverse organizational settings and demographic factors to provide a more holistic understanding of the long-term impacts of change management on employee wellbeing.

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