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# **The Effectiveness of Applying the Contingency Approach to SMEs' Challenged-to-Change and Perform-Context: Emerging Trends for Change Management Research**

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## **Abstract**

Although there has been prolific research interest on change management research in general and how to make organisations more effective in dealing with the challenges posed by change, little is known about what process might be involved when firms are challenged to change and perform simultaneously. Very little is also known about how SMEs use the traditional contingency approach as part of a set of mechanisms in implementing changes to their service and product delivery under uncertain, volatile and competitive environments. Given the nature and scale of the challenges faced by SMEs, there is an attendant requirement to look into whether there might be a process that can help in extending our knowledge of 'how' SMEs respond to their change challenges whilst learning to perform during uncertain times. The results for this paper are based on a survey of 85 participants, including management and employees from four SMEs in two geographic areas of the UK. The results were used to highlight 'a process-based approach to change management' as this paper's main contribution in extending our knowledge of how to effectively apply the contingency approach in change contexts. The change management process highlights four sub-processes (SP1, 2, 3 & 4), whose aspects will help SME owners and members to identify those areas they need to prioritise in order to effectively manage change and secondly to show how they can practically initiate and sustain performance at the organisational and employee levels. Doing so redresses the process gap in SMEs' change management and performance implementation, facilitates their continued existence at least into the medium-term and builds their human capacity to adapt for the future. The study's limitations include the number of SMEs surveyed and the questionnaire categories. Future trends for change management research are highlighted.

*Keywords:* contingency, SMEs, change, performance, process

## **Introduction and research context**

Change management researchers have been interested in leadership (Gill, 2002), strategy (Dunphy & Stace, 1993) and communication issues (Klein, 1996) amongst others. Relatively recent interests have highlighted the need to shift towards how change mechanisms can facilitate organisational effectiveness (Subramony, 2018; Hailey et al., 2004; Paauwe & Boselie, 2005; Bartel, 2004). However, this development has led to a neglect of an attendant problem, which is how to implement performance and change at the same time (Hayes, 2018). This oversight presents a new challenge especially on how resource-constrained organisations like SMEs (Steinerowska-Streb & Steiner, 2014) can implement change management approaches and mechanisms as advised in the literature. Separate proposals have been posited including work–life balance (White et al., 2003), behavioural and attitudinal re-alignment (Purcell et al., 2003) and High Performance Work Practices (Guest, 2002; Huselid, 1995). The latter is scrutinised to ascertain whether implementing its practices such as training, development, performance appraisal and related function can bring about High Performance Work Organizations (Katzenbach & Smith, 2015; Thompson & Heron, 2005) within a changing environment.

There is limited agreement regarding the benefits of such practices (Chand & Katou, 2007) whilst little is known about how they are implemented during change (Marchington & Grugulis, 2000). The tensions (Hailey et al., 2004; Schonefield, 2004) are highlighted when the High Performance Work Practices that were designed for larger companies are applied in SMEs (Gruman & Saks, 2011; Saridakis et al., 2017). SMEs have been neglected in the application of change approaches. To facilitate such an investigation the author has identified the theoretical foundations of contingency and performance approaches as a platform to study the way SMEs adapt to their challenges to change and perform within a highly competitive and uncertain market environment.

Proponents of the contingency approach (Pfeffer, 1994; Uhlenbruck et al., 2017) believe that organisations ought to be aligned as a pre-condition for managing change. However, such alignment does not address performance and therefore is an imbalanced presentation of a complex topic (Mendy, 2018). Others attribute organisational structures, procedures and cultures and capacities as dynamic (Huselid, 1995; Lepak & Snell, 1999) and the uncertainty of contexts in change failures (Banal-Estañol & Seldeslachts, 2011). However, negligible efforts are dedicated to whether a process to redress the ineffectiveness that exists in the commitment (Wood, 1996) and high-performance recommendations (Appelbaum & Berg, 2001). In addition, the practices including staff retention and development (Horgan & Muhlau, 2005; Dolan et al., 2005; Lepak & Snell, 2002), employee voice and communication (Perkins & White, 2011; Dykes et al., 2018) have also not paid due to what potential consequences might be in their implementation (i.e. whether sub-processes might emerge). The analysis of the theoretical foundations highlights that what is missing from the plethora of mechanisms and practices such as job enrichment, job rotation, quality assurance programmes and team-working (Becker & Huselid, 1998) (Stone & Deadrick, 2015) is their effectiveness in the SME merger and post-merger situations (Sverdrup & Stensaker, 2018) of instability (Rousseau & Shperling, 2004).

Scholars who propose change agency as a more effective alternative to resolve the practical implementation problem (Barratt-Pugh & Gakere, 2013; Smith & Lewis, 2011) often advocate for a planned, rational and linear approach. However, their rationale is at odds with a number of change elements such as scale, disorderliness/chaos, frequency, complexity and non-

linearity (Balogun & Hope Haley, 2004; Burnes, 2004; Prigogine & Stengers, 1984). Often, managers as well as employees are pressurised to change their 'old' structures and mechanisms for 'new' ones in order to counter other change challenges like pace, scale, market and regulatory parameters (Senior, 2002). Even when these measures have become more sophisticated (i.e. their dynamic mutations), organisational change is challenging people (including researchers). The need to contribute something different (Kelly & Amburgey, 1991; Helfat & Peteraf, 2003) to the traditional mechanisms is high. Based on the literature organisational change is taken to refer to moving from a firm's present to a future state that highlights effectiveness (Cummings & Worley, 2005). For this paper, the latter is captured via performance (i.e. the SMEs' ability to survive volatility and competition).

Other scholars' proposal to highlight the role of agency – i.e. humans and non-human aspects (Buchanan & Storey, 1997; Latour, 2005) and the centrality of learning and development to effective change (Pryor et al., 2007; Wischnevsky et al., 2004) have left change management research having to fill the paradoxes (Smith & Lewis, 2011) created by linear approaches (Reckwitz, 2002) that curtail the contributions of people (Bovey & Hede, 2001). Discourse change management scholars claim the centrality of stories and mythologies to talk about people's experiences of change (Bathurst & Monin, 2010; Vaara & Tienari, 2011) as a way that will surface the paradoxes involved in change (Rouleau & Balogun, 2011). It is claimed we develop deeper sense-making from the conversational responses of the research participants but this fails to address issues how to implement some type of approach (via some mechanisms) to deal with challenges such as pace, scale and effectiveness. The question then remains whether there is a process to alleviate such a difficulty and research gap.

Based on the literature, its contributions and limitations as discussed thus far, the author has chosen to attempt to answer the research question 'is there a process that can enhance our understanding of an effective way of dealing with the change and performance management challenges faced by SMEs during uncertain times?' Various research attempts to deal with performativity issues are summarised using the contingency approach to see where employees, as *human* resources, fitted within the wider change management debates and discussions and can be seen to add value (Mendy, 2019). The selection of such an approach is justified on the basis of its assumed support for *both* individuals and organisations who have been challenged to perform during times of uncertainty to see what the emerging trends for change management research are in SMEs.

The author envisages to make the following additions to the change management approach and theories examined. Firstly, the author examines the foundation theory of the contingency approach to see what its analysis inform us about how staff are perceived and managed (as part of developing a new process for managing change). Secondly, the author discusses and applies the fundamental assumption of the contingency approach which takes the view that employees are replaceable (and therefore dispensable assets) as opposed to the employee as a *human*, change agent who has something to contribute to performance issues. Thirdly, the author not only situates but applies the contingency approach to see what alternative(s) might exist in managing employees' contributions during change. Fourthly, an analysis of characteristics of the contingency approach within the context of management research is undertaken and with the help of the data, the author develops a change management process in terms of how to implement change effectively by making SMEs more resilient (Mendy & Rahman, 2019). The paper's contribution to Change Management research and contingency approach is in the form of 'a process-based change management (CM) process' that includes four sub-processes (SPs) as a recognition of the attendant attitudes, behaviours and perspectives that people contributed in the four SME contexts. These are referred to in this paper as 1) communicating preferred

change in performance (CM-SP 1); strategizing implementation (CM-SP2); 3) learning to perform whilst changing structures and cultures (CM-SP 3) and 4) developing new ways of making change work (CM-SP 4).

## **Literature Review**

### ***Contingency approach and Change Management***

To find out what approach could help answer the research question and achieve the paper's objective, the contingency approach to change management is examined. The contingency approach attempts to resolve the management of change (Sorensen et al., 2011) and structural constraints (Conz et al., 2017). Its characteristics are critiqued to ascertain its contribution (even if tenuous) change management research. Pfeffer (1994) believes that the contingency approach serves given the challenges firms face. Interestingly, the debates appear to agree that a firm's internal and external activities are dealt with as change demands (Fiedler, 1964; 1986). The latter might include customer demands, a change in government regulations, the changing face of and challenges posed by emigration and immigration and so on are presented by the environment (Uhlenbruck et al., 2017). These become ever-more prescient when the speed of change requires immediate solutions (Dykes et al., 2018). Practices such as training and employment development and so on (Hudson et al., 2015) are often presented in organisational change literature as a linear approach (Pryor et al., 2007; Wischnevsky et al., 2004), whose implementation (Reckwitz, 2002) is expected to help. However, the extent to which a firm's structures, its procedures, cultures and activities are dynamic and open enough (Daskalaki et al., 2015; Jack et al., 2013) to enhance effective change and performance (Huselid, 1995; Lepak & Snell, 1999) has been a largely neglected area (Bendig et al., 2018; Yang & Meyer, 2015; Gunasekaran et al., 2011) and therefore needs rethinking (Mendy, 2018).

### ***Contingency approach and performance during uncertain times***

When Becker and Huselid (2006: 908) argued that Business and Management have a 'black box' performance problem and proposed High Performance Work Practices (HPWPs) little did they factor in the change(s) required. Little also did Guest (2002; 2011) anticipate that the self-managed teams, job-enrichment and rotation and quality-enhancement tools will continue to polarise the debates and that the measures might not actually enhance individuals' performance (White et al. 2003; Ichiniowski et al. 1997; Schonefield, 2004; Budd et al., 2010). Appelbaum et al. (2000) argue HPWPs help companies to change and thereby improve on the quality of products and services, production and the financial bottom. However, they omitted agency (Buchanan & Storey, 1997; Latour, 2005) and the addition of value (Mendy, 2019). Resistance has been noted to pose some impact (Osterman, 1995) although how staff are managed during change to achieve high performance practices is missing (Peccei et al., 2011) especially within SME situations (also see Hogarth et al., 2001). How the contingency approach's use of monitoring, supervision and disciplinary regimes (Kleiner et al., 1995), training and reward (Gerhart & Milkovich, 1992) and fixed and part-time contracts (Millward, Bryson & Forth, 2000) have benefited organisations in is polarised (Appelbaum & Batt, 2000). Whilst some note the positives (Katz et al., 1983; Rubinstein, 2000; Wright et al., 2004; Schneider et al., 2003; Harter et al., 2002; Koys, 2001) others view them negatively (Guzzo et al., 1985; Stanton et al., 2010) or negligibly (Cappelli & Neumark 1999). Some decry the commodified manner in which staff are treated in using the mechanisms (Budd et al., 2010; White et al. 2003).

The contingency approach to change and performance remain too generic – i.e. they are about people in any organisational setting, not necessarily SME specific. Applying them to SMEs, when this has not been attempted before, is designed to firstly address such a neglect and secondly to see what can be contributed to Change Management research theoretically and

practically. Identifying the SMEs' change and performance challenges are aimed at highlighting the nature of the change management process the four organisations went through and what the ability of its members are in turning the grand ideas of how to manage change and performance when the odds are stacked against doing so (Mendy, 2019).

The adaptation literature reviewed in relation to Fiedler's (1964) and others scholars' contingency approach suggests that it has not fully addressed the change management questions raised by SMEs that are dealing with the dual problem of change and performance in competitive environments. The contingency approach was initially designed to support non-efficient change management situations, for example, when management's change activities are not effectively responding to external demands (Uhlenbruck et al., 2017). Some aspects concerning further work seem needed. This means that theorising employees' activities and behaviours solely through the contingency approach (Dykes et al., 2018) and using high performance practices as a contingency set of measures (Bullough et al., 2014) is not enough. Something more radical (i.e. a process that helps in identifying and improving suitable internal working conditions to counteract the external pressures to change) rather than adopting speedy measures to change (Reinhardt et al., 2018) is attempted through the research methodology and the results that were obtained by doing so.

## **Research Methodology**

### ***Data collection***

Two surveys were conducted between 2004/5 and 2011 and four SMEs were used to find out how the firms' managed change whilst dealing with performance difficulties (via what process). In total eighty-five interviews (68 in the first round, 17 in the subsequently) were held with managers and employees who attested to their firms were challenged to change and perform at the same time. Interviews lasted an hour per each respondent. The first survey questioned the strategies used to seek to resolve the performance challenges and how people reacted to the cost cutting methods used during the merger and post-merger contexts. The second survey investigated what happened at subsequent levels, including challenges and successes at various levels (Carlson et al., 2001; Wright & Boswell, 2002; Boselie et al., 2005). Respondents waived anonymity. Each firm that participated survived.

### ***Data analysis***

During the data collection stage, the author solicited the help of three additional, independent researchers to help review and interpret the qualitative materials. They helped to axially-code and thematise the data. This process produced four thematic phases (four in total) as a way to systematise and develop a change management framework of how the firms addressed their challenges. The four themes captured the participants' responses which were interpreted following Alvesson and Skoldberg's (2017) sense-making of qualitative data. With the help of the additional researchers, further reflections on the empirical responses revealed a series of descriptions that captured a process of how to resolve change management difficulties.

The papers identified for the first level of analysis covered relevant change management and performance approaches/models. The need to look into how the performance management activities (e.g. training, monitoring, evaluating and so on) impacted on the organisational, work and micro-level change management necessitated not only the selection of the theoretical frame but also the surveys over a number of collection-year-points. Such is captured in Table 1 below:

Firms	Roles	Respondents
Bakkavor-Laurens	Employees Management	10 employees, 7 management=17 in 2004/05 2 employees, 3 management=5 in 2011
Eden Housing	Employees Management	10 employees, 7 management=17 in 2004/05 2 employees, 2 management=4 in 2011
Lagat	Employees Management	10 employees, 7 management=17 in 2004/05 2 employees, 2 management=4 in 2011
Longhurst	Employees Management	10 employees, 7 management=17 in 2004/05 2 employees, 2 management=4 in 2011

**Table 1.** Companies, roles and survey participants

The data analysis followed a three-stage procedure. The first involved presenting people's descriptions' (Lincoln & Guba, 1985) of the complex nature of the challenges, the way they managed the uncertainty (Langley, 1999) and their subjectivities (Roelvink & Zolkos, 2015). This were taken as participants' contributions to change. The sub-themes were identified and these fitted into four categories following Alvesson and Skoldberg (2017). This ushered in the second stage, which is extracting a story or what Sarpong and Maclean (2017) refer to as 'microstoria' with emphasis on their subjectivities as these had been largely missed in previous adaptation to uncertainty and relationship repair literatures ( see Pentland, 1999 for an earlier attempt). These then led to the development of an integrative process of managing change.

The nature of the challenges faced by all four SMES are performance-related and are captured as follows. Longhurst was under government pressure to improve not only the quantity but also the quality of its public housing in terms of staff performance. Lagat was asked to meet the increasing demands on their educational services for young adults when headcount was shrinking during the austerity years in the UK. The Care Quality Commission (or CQC) had Eden Supported Housing (ESH) asked Eden to make care more affordable to the frail and elderly and improve the service-quality. Its new owners emphasised on profit-maximisation and greater performance. Laurens-Patisserie, the biggest cake manufacturing firm in Lincolnshire and Nottinghamshire, was diversifying its employee ethnicities and cultures which necessitated new ways of working. Local supermarkets like Morrison's and Asda's started asking for greater clarity on products' nutrition labelling. An international company, Bakkavor, bought the firm by 2011 and redirected their focus on greater financial viability as their preferred performance.

## Results

The responses of the interviewees have been summarised in terms of how management and staff attempted to deal with the change and performance pressures (i.e. a process highlighting implementing actions). Overall, employees' responses were characterised by either complying with management's demands or going against them. Some staff used alternative mechanisms to address the change management issues whilst others developed sub-cultures that were concealed from management and the SME owners. The results surfaced aspects of contingency approach (e.g. management's use of supervision, training and development protocols to enhance staff's adaptability to the external pressures – see Uhlenbruck et al., 2017 ) whilst simultaneously highlighting employees' acknowledgement of having to deal with conflicting demands from their respective organisations (Hofstede, 2001; Okpara & Kabongo, 2010). More importantly, a process started to emerge that captured the study's findings. These are classified as a Change Management (CM) process that includes four sub-processes (SPs) referred to in this paper as (CM-SPs 1, 2, 3 & 4). They should and are treated as an integrated

change management framework with the following key aspects namely 1) communicating preferred change in performance (CM-SP 1); strategizing on implementation issues (CM-SP2); 3) learning to perform whilst changing organisational structures and mechanisms (CM-SP 3) and 4) developing new ways of making change work (CM-SP 4). Their details are supported with relevant respondents' quotes as follows:

- *CM-SP 1*: Managers in the four SMEs clearly said that they recognised the necessity for their companies to change. Employees also came to this realisation when they were told by their managers often via their company's top-down communication channels. In other cases, they became aware via management's scheduling of periodic 'meetings'. However, at other times managers saw the need to 'push' communication further down the hierarchical line especially as the SMEs were 'looking to develop, develop, develop'. Increasingly staff were made aware of the need to 'show competence, as qualifications change'. Managers then tried to recruit staff who knew about 'commercial activity' although some 'practical overlaps' became apparent. Those staff who were not 'attuned' with the new requirements faced disciplinary measures as the 'new efficiencies' start to bite. This caused staff to 'devise their own ways' as they began to 'erase job boundaries' in their bids to survive the measures.
- *CM-SP 2*: Managers were compelled to start 'new strategies' some of which included 'performance matrices' especially as they noticed that staff were resisting their measures. These included 'measurements', 'training in specialist skills' that provide 'more opportunities to develop'. The measures and mechanisms were in employees' viewpoint 'hard' and 'harsh'. As a result, employees started operationalising their own way to talking and interacting with their colleagues.
- *CM-SP 3*: Via such interactions, employees began taking up extra duties and responsibilities by, for example, consciously selecting those 'training programmes' they should be 'representing the company'. Some of the staff even talked about 'branching out' from their companies as the necessity to provide 'business updates' and 'how [to] improve fund raising' became more acutely felt. Managers saw these counter-measures as acts of rebellion and they started to rein in on the employees. Employees realised that they had a knack for some jobs and by taking up more of the ones they were good in doing they made their work more noticeable than what they would have been given credit for. They engaged in 'learning', 'supporting' and 'checking funding streams' of various types including, 'learning how projects are progressing', 'learning to understand each other's role', 'learning to win contract bids through variety generation' and 'learning to deal with uncertainty.' They thought these will facilitate their contributions to their companies.
- *CM-SP 4*: Employees took it upon themselves to act as mentors to other colleagues in order to boost their competency and to help their firms in what they considered as 'people investment and consolidation' opportunities. By so doing, they began curtailing what they considered as the 'harshness' and 'hardness' of their management. Employees started to appreciate the benefits of working in 'cross functioning' teams and by so doing consolidated 'relationships' not only across 'departmental working' but also in 'staff training and the delivery of quality support'. These activities were undertaken over and beyond what their managers could monitor and keep a check on.

### **A process-based approach to managing change**

The process identified above is interesting in the study of Change Management. This is partly due to the fact that Performance Management was not being treated alongside change management, although most of issues such as skills development (Bullough et al., 2014) team-working and job-enrichment are related (Guest, 2011) to the former. In essence, change



management researchers and practitioners have struggled to identify effective mechanisms and procedures (Reckwitz, 2002) in their use of a contingent and linear approach to change (Barratt-Pugh & Gakere, 2013) partly because the combined performance and change management issues have not been dealt with in the tradition of the contingency approach (i.e. as descriptions of what activities need to be contingently taken as a company adapts to its business environment). Previous studies appear to have made attempts to address the organisational and business structures (Daskalaki et al., 2015) that constrain individuals and the collective's ability to adapt and perform simultaneously. It also helps to recognise four sub-processes as part of an overarching process of how staff made use of their individual experiences as resources to effect changes in their and other people's preferred performance. When they behave this way they do not do so in the traditional way that their managers' reliance on organisational structures and mechanisms dictate them to (Jack et al., 2013). They developed the capacity to adapt and to recognise the contributions not only from other theories but also staff contributions to resolve the problem of performance (see Table 2 below) strategically (Mendy, 2019):

Aspects	Performance theory	Contingency theory	Process-based Change
1	Create a culture of performance	Build open mechanisms	Identify the mechanisms to implement change
2	Encourage individuals as part of teams to perform	Map the internal environment to the firm's external context	Highlight the importance for staff to contribute
3	Encourage high levels of individual and team performance	Identify contingency leaders as part of a team for guidance	.
4	Be flexible in what people are willing to contribute	Be open and flexible	
5	Develop longer term approach to performance	Develop leaders competences	Highlight the structures as well as objectives that are needed in bringing about effective change
6	Generate the necessary resources	Develop appropriate use of resources	Identify the human and other resources needed
7	Develop people, their skills and competences	Train, develop and facilitate staff retention	Develop people's potential – i.e. their capacity to adapt to challenges
8	Stabilise the performance initiatives and mechanisms	Include staff in having a voice	Reinforce the previous areas to develop and maintain effective change capacity

**Table 2.** Comparison of performance theory, contingency theory and process-based change

## Discussion

The Change Management (CM) process identified above include four sub-processes (SPs) referred to in this paper as (CM-SPs) as an integrated change management framework involving 1) communicating preferred change in performance (CM-SP 1); strategizing on implementation issues (CM-SP2); 3) learning to perform whilst changing organisational structures and mechanisms (CM-SP 3) and 4) developing new ways of making change work (CM-SP 4). They serve to help implement Fisher and Huselid's classical Contingency Approach and Performance Management propositions.

The overarching process was designed to capture a ‘picture’ (Checkland, 2000), or ‘descriptions’ (Geertz, 1994) of four change contexts that were came under environmental strains. Reflecting on and interpreting the accounts (Alvesson & Skoldberg 2017) produced a total of four sub-process (all of which are interlinked) to how the change management and performance issues were resolved. One may consider generalising this aspect, for example by including all the measures that participants said they used or including what they said was needed to resolve the problems. The latter was chosen for further exploration as a way to contribute to its under-reporting in SME studies on performance challenges and to help answer the research question. Change Management (CM) Sub-Processes 1 and 2 identify the context giving rise to the SMEs’ performance problems and CM Sub-Processes 3 and 4 identified what types of resources were needed to implement a resolution of the context-specific-change and performance problems. The second set of strategies is important, however, as they make explicit how SME companies may use available resources as well as add to them, something that has not been attempted in Huselid’s studies. It is recognised, however, that the strategies may also have to be reformulated in that they may not help to solve performance problems of large companies – given that they were abstracted from what happened in SMEs (Mendy, 2019).

Building on the tradition of Boselie et al.’s (2005) and Alvesson and Skoldberg’s (2017), a further interpretation was thought necessary firstly, to help identify the types of activities employees used at the micro-level to help their company deal with their change and performance problems and secondly, to see what they might have added to change management research literature and practice.

Analyses of what happened between SME members when they had to confront their changes (i.e. using what type of change process) and whether the practices used (Batt, 2002; Sanders et al., 2014) institutionally (Boselie et al., 2005) resulted in some performance (i.e. the outcome(s)) was considered necessary to see whether the contingency measures actually enhanced performance (see CM-SPs 3 & 4). This level of analysis was necessary to establish firstly to ascertain whether there was any ‘black box’ problem in the tradition of Boselie et al. (2005) and Huselid and Becker (2006) and what might its constituent elements be (Ramsay & Scholarios, 2000; Conger, 2004) given its shrouded reputation (Wright & Gardner 2003). The author’s multi-level analyses combined with three independent researchers’ reflections on the case materials and a combined total of over a hundred papers and books led to confirmation that both the intermediate change management interventions as well as the institutions’ attempts at improving performance (Wood, 1996) were found to be weak in some instances and non-existent in others. While there continue to be a proliferation of debates regarding the ‘black box’, limited research studies, with the exception of Young et al. (2014) and Panayotou’s (2016) studies have actually tried to figure out what this constitutes and whether testing the linkages might be of some revelation.

However, the implications on the commodified nature in which employees were treated by their superiors has been missed in the contingency approach to managing change and performance. On an additional note, it is intriguing to reveal that limited attempts have been made to examine and then apply the contingency approach to see the extent to which there is some relationship between the scientific disciplines of change management and macro and micro-level performance. At best, previous studies have either tried to make superficial assertions regarding the existence of *some* possible ‘black box’ via their description of what its contents are (Becker & Huselid, 2006), via the use of some quantitative material deduced from the research methods used (Green et al.) or via its under-represented theoretical nature (Saridakis et al., 2017). To actually find out what constituted the ‘black box’ problem of

employer-employee relationships and performance, the author gleaned all the data from managers and employees between 2004/2005 – 2011, tabularised the results using the necessary categories identified from the research literature so as to see whether the intermediate variables can demystify the taken-for-granted mystery of the problem.

As shown in CM-SPs 3 & 4, the author found examples of HPWPs from the interview materials. Specific aspects include, but are not restricted to Lepak and Snell's (2002) and Lwango et al.'s (2017) – commitment (formal and informal), Ichniowski et al. (1997) and Subramony et al.'s (2018) Subramony environmental configuration, Appelbaum and Berg's (2001) skills' enhancement and Katou and Budhwar's (2006) and Perkins's (2011) rewards as part of HPWPs. However, employee resistance to the very intermediate variables propagated by Sanders et al (2014) were found to have acted as 'resistors' rather than enablers of Wood's (1996) and van den Berg et al.'s (1999) high commitment management systems. Despite the management activities to stimulate staff commitment to the new working practices through their implementation of a targeted number of employer-employee interactive practices so as to facilitate staff commitment, staff displayed higher commitment characteristics with colleagues they trusted. This finding is contradictory to Guest's (2011) and Appelbaum et al.'s (2000) and Lepak and Snell's (2002) earlier demonstration of the beneficial impacts that intervening variables have on organisational performance.

The anticipated positive effects of management's introduction of change intervention activities have been found in this study not to have enhanced the performance of staff but served to trigger employee competence in the four SMEs contrary to traditional wisdom (Huselid, 1995; Dyer & Reeves, 1995). Quantitative studies have neglected over the decades the merits that a combination of the traditional HPWPs such as commitment, environmental (re)configuration, aptitudes and skills' enhancement and other contingency mechanisms with 'resistant employee experiences have to offer to the complex area of employee-employer relationships and performance. Quite apart from showing that Change Management practices and policies are vital in attempts to (re)shape the change and performance management interaction through innovative ways of working, the findings suggest that we should be mindful of the potential negative impacts of resisting factors that most quantitative studies have missed. Employees at the micro-level of analysis need to feel part and parcel of whatever innovative ways of working and organising their and organisational performance.

Based on the afore-stated measures the following areas became apparent from the data: 1) waiting to see what managers would think of when challenges would be recognised; 2) noticing whether any of the measures the managers take – out of habit or presumed knowledge – helped to release new resources; 3) identifying what objectives need to be realised and how new and existing resources among the employees may be recognised that support their realisation and 4) establishing cooperation groups to ensure that challenges are dealt with. The last category (number 4) appears of special importance in the theoretical frames seeking to develop a change and performance-resolution framework as companies come under increasing stress. It refers to employees developing techniques to deal with the performance problems that the use of traditional management approaches such as contingency (Huselid & Becker, 2006) do not allow for. They develop a separate set of competences that differ from those that their managers sought to apply in them as a collective. They proved able to change managers' treatment of colleagues as objects into a treatment of valuable resources that could reflect on (Alvesson & Skoldberg, 2017) what was happening across other departments and act. Having this ability to act proved a valuable addition on two fronts: firstly, the companies still existed during the second round of interviews and in fact still exist and secondly, employees' reflections helped in providing a set of strategies to identify and resolve performance related issues. CM-SP 3 and

4 thus appear to refer to a way of increasing a company's sustainability while its employees help it to perform as preferred. It thus constitutes a Change Management process of how to change whilst at the same time trying to resolve performance issues strategically (Mendy, 2019).

This paper recognises some implications as follows. The issue is whether the process developed here has sufficient research quality to achieve the author's research plan (SMEs and their members having the capacity to survive their challenges to perform and change). To respond to this, an evaluation of the effectiveness of applying the process is considered in line with its justification. Firstly, the process is directly developed from SME members who reported that there was an urgent need to increase their contributions such that they measure to the performance standards (i.e. high quality) of government, external agencies, customers and investors. They also reported that their contributions to the challenges were being stifled by the scale, pace, adversity and volatility of the changes and their managements' behaviours which were in line with characteristics and mechanisms developed in the contingency and linear approach to change. The second or alternative implication is that what the proposed process contributes should not be viewed simply as a process. It is derived from a combination of analyses of the foundations of the contingency and high performance work practices model developed by Huselid to see how some of their aspects could be implemented in ways that are more effective and supportive of human contributions during change. Its aspects were drawn by following some systematic steps – (see Descartes, 1993; Kuhn, 1970; Lakatos, 1976) over a long period of time contrary to Dykes et al., (2018). These steps include collecting observations/material, searching for a suitable mapping which has high quality (i.e. by mapping the materials onto a story that led to a process-based approach to change management).

### ***Summary***

The research question of this study was to identify whether a process exists that will serve to highlight the way SMEs dealt with their change and performance problems. This was found necessary given that SMEs were found to be under-represented in this area. To answer this question a number of theories and the contingency approach were visited. Examining the foundations highlighted that studies are still focusing on making use of internal human capital to facilitate performance (e.g. Huselid, 1997; Boxall & Purcell, 2003) in line with the contingency approach of managing change. Focusing on competencies, talent management, retention and development (Marchington & Grugulis, 2000; Dolan et al., 2005), by encouraging employees to have a voice (Armstrong, 2015) and acquiring management expertise (Teittinen et al., 2013) or cultural realignment (Bock et al., 2012) were inadequate to deepen our understanding of the four SMEs' change contexts. Staff competences (Ford et al., 2008) needed to transcend the traditional training and development regimes as recommended by the contingency approach. Something that flexibly reflects what staff said could work was needed. This challenged the decision-making processes that Rubinstein (2000) advocated for management earlier. Employees showed how to communicate to deal with their change and performance problems. The last category proved especially interesting as it highlights the failure to address the human aspects of performance issues when staff objectives and preferences are treated as commodities by managers who adopt standard theoretical and model formats (see contingency approach to change). Adopting the latter showed how staff's competencies were constrained thereby stifling the potential reflections and capabilities that contingency approach enthusiasts and reflexive methodology proponents like Alvesson and Skoldberg's (2017) originally designed to enhance.

This study contributes in extending our knowledge concerning what managers need to do when they try to deal with change and performance-related problems faced by SMEs. There is a

systematic way as presented in the four CM-SPs to address the preferred levels of performance so as to deal with the challenges faced. From this process, it was shown what types of inconsistencies may arise as a result of applying the contingency approach. The ability to reflect on internal and external contexts and the capacity to do something about one's reflections should be included in the Change Management and Contingency Approach proposed by Fisher and Huselid, amongst others. The paper thus contributes to the debate concerning the effective application of the contingency approach by its previous proponents (Fiedler, 1986; Huselid & Becker, 1996; Brewster 1999) and more recent adherents (Perkins & White 2011; Adomaku and Frimpong, 2018) and the reflexive methodology of Alvesson and Skoldberg (2017). It proves advisable for Change Management experts to give people's competence some inclusion in a process that helps to highlight aspects that have been neglected by traditional approaches and theories on performance resolution and change management (Teittinen et al., 2013; Schonefield, 2004; Lepak & Snell, 2002). The results thus confirm that Change Management Sub-Processes 1 and 2 need to recognise contextual variables and the third and fourth sub-processes need to be added to Contingency Approach to show how employees develop the capacity to reflect on, identify and act strategically on local resources for collective human performance (Mendy, 2017). Benefits of doing so include remedying the damages caused to individual and collective performance by management's impositions (Kotter, 2008; Porter & Kramer 2011) despite alternative claims made by Katou and Budwar (2006).

## **Conclusion**

The author's main research question was to examine whether a process exists that might add to the mechanistic way that the contingency approach to managing performance in change contexts has been presented (Fiedler, 1986). SMEs (four in total) were randomly selected given their neglect in this research area. To help answer this question and achieve the research aim, change management and the contingency approach was applied onto the four research contexts to see what different contribution might be made (Helfat & Peteraf, 2003). The critique and application of the approach highlighted some practical implementation issues that the Contingency Approach could benefit from. The empirical responses have helped in focusing our attention SMEs' contextual constraints (management incompetence, lack of an adequate process to manage change and performance effectively, simultaneously) and developing such a process not only contingently (in the here-and-now, contextually) but also factoring in members' recommendations in the longer-term (Mendy, 2019). The answer to the question consisted of one integrated process with four aspects, which summarised how change management activities can be captured into a framework of human actions of leading to Change and performance Management competencies in SMEs.

This result is expected to assist decision and policy makers as well as SME owners to appreciate not only the varying change management aspects that needed immediate attention but also their sub-processes (i.e. employees' attitudes, preferences, behaviours). The results have extended our knowledge as they highlight that valuable contributions from those lower down, including their attitudes, cultural affiliations and behaviours that need to be recognised if using the contingency approach to change management (Pfeffer, 1995) stands a chance of being effective in SME environments that are characterised by uncertainty (Saridakis et al., 2017).

## ***Paper's Limitations***

The drawbacks of the study centre on the limited nature of the survey sample. This suggests that the results should be interpreted as emphasising a need for an integrated, combined set of measures (see CM – SP1, 2, 3 & 4) to not only to change but in ways that also enhance their ability to survive their pressures. The classical Contingency Approach in the tradition of

Pfeffer, 1995; Fielder, 1986) and more recently Daskalaki (2015) and Huselid and Becker (2000) could benefit from further amendments and additions. What is being proposed in this paper is implementing High Performance Work Practices via the use of the contingency approach in change situations involving SMEs need to recognise a process for doing so. Equally as important, is highlighting sub-processes as part of the overall integrative approach to bringing about an effective application of the contingency approach to change. Within the four sub-processes, employees' reflections and interpretations (Alvesson & Skoldberg, 2017) of what would work in their contexts also need to be included as an addition to the contingency approach. The contingency approach and the concepts examined in this paper focus on recognising people as fixed assets devoid of agency (Latour, 2005) rather than embedding their contributions into a process of managing their contextual, change difficulties and how to resolve them. The study's results have shown the need for such recognition as a practical process of managing change when SMEs become existentially challenged to change, survive and perform at the same time. Doing so constitutes an opportunity for emerging trends, questions and research foci for Change Management research.

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