The Impact of Human Resource Management on Change Management in terms of Employees' Proactivity and Vitality: The Case of the Banking Sector in Egypt

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Abstract
This research investigated the impact of human resource management (HRM) on change management in terms of employees' proactivity and vitality. It utilized a mixed methods approach to gather information related to the research. A random sampling technique has been used to find the population sample size of 32 employees working as human resources (HR) managers, HR specialists and HR assistants at the banking sector in Egypt. The result of this empirical research is that human resource management has a significant impact on change management and is associated with a higher level of employees' proactivity and vitality. Insights from this study can be used to benefit the development of this research line in future.

Keywords: Human resource management (HRM), change management, proactivity, vitality, Egypt

I. Introduction
In today's changing business world, organizations need as stated by Hashim (2013) to run their business efficiently and smoothly, to use modern technology and to encourage coordination between the members of the workforce. This requires readiness for change and flexibility. Organizations are according to Josserand et al. (2006) constantly under pressure to adapt to change. Based on Korunka, Ulferts & Kubicek (2009), change transforms organizations into continuously changing systems, which are turbulent and therefore, there is a growing need for employees who are able to handle change. In accordance with Ghitulescu (2013) and Shirom (2011), job proactivity and vitality are essential in enabling organizations to adapt successfully to change. According to Ali, Hussein, & Hejase (2019), HRM plays an essential role in the process and outcomes of change in organizations.

Based on Aljohani (2016), managing change within organizations presents a challenge for the HRM, since it concerns the people who are working in an organization. HR professionals are constantly asked to develop the skills and attitudes of the employees, in order to implement change. An effective change management leads to higher performance quality, greater productivity and improved readiness for any future changes.

1.1 The problem of the study
As a result of change, the behaviors of the employees may change and can positively or negatively impact the organization. This research examines the impact of human resource management on change management in terms of employees' proactivity and vitality.

1.2 Research Objectives
• RO1: To study the impact of human resource management on change management in terms of employees' proactivity.
• RO2: To investigate the impact of human resource management on change management in terms of employees' vitality.

1.3 Research questions
The study will tend to answer the following research questions:
What is the role of human resource management?
What is the impact of human resource management on change management in terms of employees' proactivity?
What is the impact of human resource management on change management in terms of employees' vitality?

1.4 Research Hypotheses
The null hypothesis to be tested was as follows:

H0: Human resource management has no impact on change management in terms of employees' proactivity and vitality.

The alternative hypothesis was:

H1: Human resource management has a significant impact on change management in terms of employees' proactivity and vitality.

II. Literature review

This section will discuss the literature related to human resource management, the role of human resource management, change, change management, proactivity and vitality.

2.1 Human Resource Management

Human resource management has several definitions. According to Boxall & J. (2016), HRM is defined as the process through which the management establishes the workforce of an organization and creates the needed human performances. Based on Armstrong (2016), HRM is a strategic, coherent and integrated approach related to the employment, development and well-being of the workforce of an organization. According to Joshi (2013), human resource management is related to the activities of staff that is responsible for the personnel of the organization and provides guidance to both the management and the employees. The duty of the human resource management is to manage people by acquiring, retaining and developing the human resources of an organization.

2.2. The role of human resource management

The role of HRM is to plan, develop and manage policies, which aim at receiving the most benefit of the human resources of an organization. The first role of HRM is to keep the employees well informed about their organization such as its policies, plans and corporate culture and any changes that could occur. The HRM's role is also to initiate change and act as an internal change consultant and agent. HRM also plays a role in keeping the communication line open between the HRM and the employees and in facilitating the development of the different teams in the organization and the relation between the organization's teams. The roles of HRM referring to Dave Ulrich vary and include the role of the strategic partner by turning results into strategy, the role of a change agent by making change happen fast, the administrative role by making things better with less costs and the role of the employee champion by managing the talented employees.¹

2.3 Change

Based on Khan, Raza, & George (2017), due to technology, competition and rapid innovation, organizations are forced to embrace change, in order to remain competitive. In accordance with Kanji & Moura (2003) and Lycke(2003), there can be several changes such as changes to the structures of organization, the needs of its customers and the training and development of its employees. According to D'Ortenzio(2012), no matter how big or small change is, it occurs at an accelerated rate. Organizations need to respond to new preferences and tastes of customers, market demands, new opportunities and technology.

2.4 Reasons for Change

In accordance with Boojihawon& Segal-Horn (2006), organizational change is triggered by several internal and external factors. Internal factors are related to the structure of an organization, its system, its employees and performance. External factors occur outside the organization and cause change in an organization such as social condition, politics, economy, technology and business scenario.

2.5 Change management

According to Romanescu (2016), change management is related to the transformation of the structure or culture of an organization as a result of changes in the environment, technology, structure or people. Change management, based on Szamosi & Duxbury (2002) is continual in most organizations and an essential part of life. As mentioned by Pierce & Delbecq (1977) change management refers to the adoption of a new procedure, new process, new behavior or a new idea. It is a set of principles, which guides an organization in the way it prepares and supports its employees during the process of change in order to successfully achieve its goals. It takes the organization from its current state to a desired future state.

Change management can be defined according to Moran & Brightman (2001) as the process of continually renewing the structure, abilities and direction of an organization in order to serve the changing needs of customers. It can also be defined as a process, which uses a set of tools to create successful change and a competency for leaders to create a strategic capability for increasing the effectiveness of an organization.

2.6 Proactivity

According to Frese & Fay (2001) proactivity is defined as having a long-term focus on work, which enables the employee to consider the changes and emerging opportunities and acting proactively. As mentioned by Grant & Ashford (2008), proactivity has two distinctive features. The first feature is planning and acting to expect possible events in the future. The second feature is change oriented. A proactive employee changes himself, his co-workers or the even the work context in order to adapt to the expected changing conditions. The proactive behavior of the employee based on Parker & Bindl (2017) is self-initiated, anticipant and change oriented. It aims at bringing out change in the employee himself or in the environment in order to reach a different future. According to Huynh et al. (2019), since proactive behaviors benefit both the individual and organizational performance, organizations expect their employees to be more active in today's competitive world.

2.7 Vitality

Vitality can be defined according to Kark & Carmeli (2009) as the conscious experience of an individual, which is related to having energy and liveliness. Based on Ryan & Bernstein (2004), vital employees work with excitement and positive energy and believe that their behavior contributes to a purposeful aim. Vital employees as mentioned by Carmeli & Spreitzer (2009) have more energy and therefore can deal with change better. Vitality at work is defined by Harvey (2002) as a characteristic of an individual who is able to perform his work with satisfaction, vigor, facility and passion.

III. Conceptual Framework

The model illustrated below was constructed according to the objectives of the study. The conceptual framework of the research model is based on the independent variable (human resource management) and the dependent variables (change management) in terms of (employees' proactivity) and (employees' vitality). It shows the impact of the aforementioned independent variable on the dependent variables.
The Impact of Human Resource Management on Change Management in terms of Employees’..

Figure 1: Independent variable (human resource management) and dependent variables (change management) in terms of (employees' proactivity) and (employees' vitality)

Source: By researcher

3.1 The impact of human resource management (independent variable) on change management in terms of employees' proactivity (dependent variable)

The HRM influences change management by promoting proactivity. As mentioned by Hun, Pak, Kim, & Li (2019), it ensures the hiring and training of individuals with proactive tendencies, motivates the employees to work in a proactive way and to exercise fully their proactive potential.

HRM offers training and development opportunities which according to Frese & Fay (2001) stimulate control appraisal, self-efficacy and feelings of responsibility and lead to higher levels of proactive behavior. Training can as mentioned by Hun, Pak, Kim, & Li (2019) improve the required skills for the employees to exercise their proactive tendencies.

HRM motivates the employees to be involved in work-related decisions and enables them to contribute in determining the performance goals, which in accordance with Kirkman & Rosen (1999) stimulates feelings of shared responsibility. This creates an atmosphere where employees can freely and safely express their views which as cited by Baer & Frese (2003) makes them proactively develop ideas that can deal with any work-related problems.

In accordance with Hun, Pak, Kim, & Li (2019) rewards and performance appraisals, which are based on proactivity impact the willingness of the employee to behave in a proactive manner.

HRM plays a positive role in the encouragement of teamwork which as mentioned by Frese & Fay (2001) increases involvement and strengthens job proactivity.

3.2 The impact of human resource management (independent variable) on change management in terms of employees' vitality (dependent variable)

According to Chad (2017), change can lead to highly stressed employees, who have a decreased trust in the management. HRM can as mentioned by Menno & Kemp (2016) play a significant role in building vitality and reducing stress. This is done by balancing the involvement of the management and offering employee autonomy. It is also achieved by concentrating on the personal strengths of the employee and valuing the differences among all the employees.

HRM motivates the employees to establish job autonomy, which based on Shirom (2011) is positively related to vitality. According to Deci & Ryan (2000) when the autonomy is encouraged, feelings of vitality are stimulated. HRM creates employees’ vitality by rewarding their efforts, respecting the diversity of their opinions, having individual feedback sessions and offering coaching.

According to Kinjerski & Skrypnek (2006) the training and development opportunities provided by the HRM stimulate the employees intellectually, which positively influences their vitality and excitement.

IV. Methodology

This study analyzes the impact of human resource management as the independent variable on change management in terms of employees' proactivity and vitality as the dependent variables.

4.1 Population of study

The research was conducted with a sample of 32 participants, representing HRM in the banking sector in Egypt.

4.2 Methods of data collecting

This research is a survey-type study. A questionnaire was developed in order to collect data. Questionnaires were distributed to 32-targeted respondents working as HR managers, HR specialists and HR assistants. Each questionnaire was accompanied by a cover letter that assured the confidentiality of the information provided and explained the objectives of the research and the directions for completing each survey. It was sent directly to the employees to fill in the survey.

4.3 Instrument

The questionnaire was designed to accomplish the research's objectives. It consists of questions that represent all the variables of this study. In order to ensure consistency of the results, the questionnaire is based on five point Likert-scaling with 1 strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree. The second section included questions that answered the objectives of the research.

4.4 Methods of data analysis
By using the Statistical Package of Social Science (SPSS) through tables in a simplified way, all data collected from the respondents was organized, edited, codified, and analyzed. Data was analyzed by using mean, standard deviation, and correlation coefficient. To evaluate the centre of distribution, a mean between 1.00-2.50 is weak while that between 2.50-4.00 is strong. In relation to the evaluation of the dispersion of data as based on Aggesti, & Franklin (2009), a standard deviation below .5 shows low dispersion of data (homogeneity) and above .5 shows big dispersion of data (heterogeneity).

V. Data analysis and findings

5.1 Perception of the respondents on the role of HRM in the organization

<table>
<thead>
<tr>
<th>Category</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The role of HRM is recognized at the organization</td>
<td>32</td>
<td>2.5313</td>
<td>.71772</td>
</tr>
<tr>
<td>HRM is essential for the organization</td>
<td>32</td>
<td>2.6250</td>
<td>.60907</td>
</tr>
<tr>
<td>HRM is involved in the decision-making process</td>
<td>32</td>
<td>2.7188</td>
<td>.58112</td>
</tr>
<tr>
<td>The organization cares for the development of the HRM</td>
<td>31</td>
<td>3.0645</td>
<td>.67997</td>
</tr>
<tr>
<td>HRM has a policy and a strategy</td>
<td>32</td>
<td>3.0938</td>
<td>.73438</td>
</tr>
<tr>
<td>HRM plays a strategic role</td>
<td>32</td>
<td>2.8750</td>
<td>.83280</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Mean and standard deviation for each question on the role of HRM in the organization

*Source: By researcher*

The table above shows that respondents agreed that the HRM plays a role in their organization. The first statement reveals a mean of 2.5313 indicating that respondents strongly agreed that role of HRM is recognized at the organization. The second statement shows a mean of 2.6250 indicating that respondents strongly agreed that HRM is essential for the organization. The third one illustrates a mean of 2.7188 indicating that respondents strongly agreed that HRM is involved in the decision-making process. The fourth statement presents a mean of 3.0645 demonstrating that the respondents strongly agreed that the organization cares for the development of the HRM. The fifth statement shows a mean of 3.0938 indicating that respondents strongly agreed that HRM has a policy and a strategy. The last statement shows a mean of 2.8750 which indicates that the respondents strongly believe that HRM plays a strategic role. The standard deviation of each statement which is beyond .5 reveals heterogeneity of data collected.

5.2 Perception of the respondents on the impact of HRM on change management

<table>
<thead>
<tr>
<th>Category</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM plays an essential role in the process of change in organizations</td>
<td>32</td>
<td>2.5313</td>
<td>.84183</td>
</tr>
<tr>
<td>HRM has a positive impact on the change management</td>
<td>32</td>
<td>2.8125</td>
<td>.64446</td>
</tr>
<tr>
<td>The impact of HRM on change management is not underestimated</td>
<td>30</td>
<td>2.8333</td>
<td>.69893</td>
</tr>
<tr>
<td>HRM reduces the risks that can result from</td>
<td>31</td>
<td>2.9355</td>
<td>.62905</td>
</tr>
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</table>

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The Impact of Human Resource Management on Change Management in terms of Employees’

<table>
<thead>
<tr>
<th>change management</th>
<th>32</th>
<th>2.8750</th>
<th>.55358</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM enables the organization to generate the most benefit from changes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRM is highly involved in the change process</td>
<td>32</td>
<td>2.5313</td>
<td>.80259</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>29</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Mean and standard deviation for each question of the impact of HRM on the change management

Source: By researcher

The statements mentioned in the table above show how HRM influences change management. As indicated in the table above, a mean of 2.5313 demonstrates how respondents strongly believe that HRM plays an essential role in the process of change in organizations. The second statement mentions that the respondents believe that HRM has a positive impact on the change management by a strong mean of 2.8125.

The third statement depicts a mean of 2.833 indicating that the respondents strongly agreed that the impact of HRM on change management is not underestimated. The fourth statement shows a mean of 2.9355 revealing that respondents strongly agreed that HRM reduces the risks that can result from change management.

The fifth statement demonstrates that the respondents strongly agreed that HRM enables the organization to generate the most benefit from changes by a mean of 2.875. The sixth statement indicates that the respondents strongly agreed that HRM is highly involved in the change process with a mean of 2.5313. As all standard deviations in the table are exceeding .5, this shows that all the answers provided by the respondents were heterogeneous.

5.3 Perception of the respondents on the impact of HRM on change management in terms of employees’ proactivity

Table 3: Mean and standard deviation for each question of the impact of HRM on change management in terms of employees’ proactivity

Source: By researcher

The table above shows the respondents’ perception on the impact of HRM on change management in terms of employees’ proactivity as follows:
The Impact of Human Resource Management on Change Management in terms of Employees' Vitality

In the first statement, respondents weakly agreed that HRM doesn’t promote proactivity, which is revealed by a mean of 2.2813. In the second statement, they weakly agreed that the offered rewards and performance appraisals are based on proactivity with a mean of 2.437. In the third statement, they weakly agreed that HRM doesn't encourage the employees to develop their proactive behavior with a mean of 2.4688. The fourth statement shows that respondents strongly agreed that HRM creates an atmosphere where employees can freely express their opinions with a strong mean of 2.8750. The fifth statement demonstrates that the respondents strongly agreed that HRM motivates the employees to behave in a proactive manner with a strong mean of 2.9375. The sixth one shows that the respondents strongly agreed that HRM offers training which improves the employees' proactive behavior with a strong mean of 2.7742. The last statement portrays that the respondents strongly agreed that HRM strengthens job proactivity by encouraging teamwork by a strong mean of 2.9062.

Regarding the standard deviations as illustrated in the table above, only the seventh assertion reveals homogeneous data collected from respondents with a standard deviation of .46555, which is under .5, while the remaining ones indicate heterogeneous data as they are beyond .5.

5.4 Perception of the respondents on the impact of HRM on change management in terms of employees' vitality

<table>
<thead>
<tr>
<th>Category</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM doesn’t promote vitality</td>
<td>32</td>
<td>2.3125</td>
<td>.73780</td>
</tr>
<tr>
<td>HRM doesn’t create vitality at the workplace</td>
<td>32</td>
<td>2.2812</td>
<td>.68318</td>
</tr>
<tr>
<td>HRM doesn't positively influence the employees' vitality</td>
<td>32</td>
<td>2.4063</td>
<td>.75602</td>
</tr>
<tr>
<td>HRM creates employees' vitality by rewarding their efforts</td>
<td>32</td>
<td>3.0312</td>
<td>.59484</td>
</tr>
<tr>
<td>HRM creates employees' vitality by respecting their different views</td>
<td>32</td>
<td>3.0313</td>
<td>.59484</td>
</tr>
<tr>
<td>HRM offers training opportunities which positively influence the employees' vitality</td>
<td>32</td>
<td>2.7500</td>
<td>.71842</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>32</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Mean and standard deviation for each question of the impact of HRM on change management in terms of employees' vitality
Source: By researcher

The respondents’ views on the impact of HRM on change management in terms of employees' vitality is demonstrated in the table above and the results are explained as follows:

The first statement shows that the respondents weakly agreed that HRM doesn’t promote vitality which is explained by a weak mean of 2.3125. In the second statement, they weakly agreed that HRM doesn’t create vitality at the workplace by a weak mean of 2.2812. In the third statement, the respondents weakly agreed that HRM doesn't positively influence the employees' vitality by a weak mean of 2.4063. However, they strongly agreed in the fourth statement that HRM creates employees' vitality by rewarding their efforts by a strong mean of 3.0312. In the fifth statement, they strongly agreed that HRM creates employees' vitality by respecting their different views by a mean of 3.0313. In the last statement, the respondents strongly agreed that HRM offers training opportunities, which positively influence the employees' vitality by a strong mean of 2.7500.

Besides mean results, all the standard deviations within the table were above .5, which shows heterogeneity of answers collected from respondents.

5.5 Pearson Correlation
The Impact of Human Resource Management on Change Management in terms of Employees’ Proactivity and Vitality

<table>
<thead>
<tr>
<th>HRM</th>
<th>Pearson Correlation</th>
<th>.582**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td>.001</td>
</tr>
<tr>
<td>N</td>
<td>28</td>
<td>27</td>
</tr>
</tbody>
</table>

Employees’ proactivity and vitality

| Pearson Correlation | .582** | 1 |
|---------------------|--------|
| Sig. (2-tailed)     | .001   |
| N                   | 27     | 31 |

Table 5: Pearson Correlation
Source: By researcher
**. Correlation is significant at the 0.01 level (2-tailed).

The null hypothesis of the study to be tested was “Human resource management has no impact on change management in terms of employees’ proactivity and vitality”. While examining the correlation between HRM and employees' proactivity and vitality, the statistical evidence depicts that there is a significance relationship between those variables as Pearson Correlation Coefficient is .582 showing a Positive moderate Correlation as demonstrated in the table above. The null hypothesis is rejected as p-value equals to .001 is less than alpha equal to .01(2-tailed) and alternative hypothesis “Human resource management has a significant impact on change management in terms of employees' proactivity and vitality” is maintained.

VI. Discussion and Conclusion
This study has investigated the relationship between human resource management and change management in terms of employees' proactivity and vitality. By calculating mean and standard deviation of the participants’ responses to the impact of human resource management on change management in terms of employees' proactivity and vitality, the study found out that there is a significant correlation of .582. Based on the presented results, the study revealed that human resource management has a significant impact on change management in terms of employees' proactivity and vitality.

VII. Recommendation
This study suggests that change management should involve the employees in the change process. Both the management and the employees are essential in supporting change. Organizations should invest in developing HRM, as it can play a positive role in supporting change management and influencing the employees' vitality and activity for the benefit of the organization.

References

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