
**ORGANISATIONAL CHANGE, EMPLOYEE STRESS AND
EMPLOYEE PERFORMANCE: A CONCEPTUAL FRAMEWORK**

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DOI: <https://doi-doi.org/101555/ijrpa.6079>**ABSTRACT**

In the present business environment organisations regularly introduce changes in structure technology and strategy to improve their competitiveness and ensure long term growth. These changes are generally implemented to enhance efficiency and organisational effectiveness. However during a periods of change often create uncertainty among employees which may lead to psychological stress. Employees may feel insecure about their role responsibilities and future within the organisation because during organisational change employees often encounter a sense of insecurity and diminished control over their work situations. Uncertainty about future roles expectations and responsibilities can create psychological discomfort these conditions become significant sources of stress which may negatively affect employees motivation level of commitment and overall job performance. If such stress is not effectively managed it can reduce productivity and weaken organisational effectiveness. Therefore this study focuses on examining the relationship between organisational change, employee stress and employee performance and the importance of supportive leadership, transparent communication and employee involvement in reducing stress during transitional periods. On the other hand we can say that this conceptual paper examines the interrelationship between organizational change, employee stress and employee performance by proposing a structured framework. The study argues that organizational change functions as an independent variable that directly impacts employee stress which subsequently affects performance outcomes such as productivity, engagement, work quality and organizational commitment. The framework further highlights the importance of organizational support, leadership effectiveness and transparent communication in reducing stress and stabilizing performance during periods of transition.

KEYWORD: Organisational Change Management, Change induced stress, Employee performance, Workplace Transformation, Employee Adaptation, Organisational Effectiveness.

CONCEPT OF ORGANISATIONAL CHANGE

Organisational change refers to the process through which an organisation modifies its structures, strategies, technologies, culture or operational processes in response to internal and external pressures. In today's dynamic business environment organisations continuously adapt to technological advancements, competitive forces, regulatory requirements and evolving market demands. Change is therefore not a one time event but an ongoing strategic necessity aimed at improving efficiency, innovation and long term sustainability. Organisational change may be classified into several forms which are discussed below:

- **Structural Change** – Structural change refers to modifications made to an organisation formal framework including adjustments in hierarchical levels, reporting lines and departmental arrangements. Such changes are typically introduced to improve coordination, clarify authority relationships and enhance overall organisational efficiency in response to evolving internal and external demands.
- **Technological Change** – Technological change refers to the introduction and integration of advanced technologies, automated systems and digital platforms within an organisation operations. This form of change is undertaken to change processes, increase efficiency, enhance accuracy and strengthen the organisation capacity to respond to evolving market and industry demands.
- **Strategic Change** – Strategic change involves planned adjustments in an organisation long term objectives, market positioning or overall business approach to maintain competitiveness and ensure sustainable growth. It reflects a shift in strategic direction designed to align organisational capabilities with changing industry conditions and emerging opportunities.
- **Cultural Change** – Transformation of organisational values, norms and behavioural expectations.

OBJECTIVE

1. To critically evaluate how different dimensions of organisational change shape employees psychological responses within the workplace.
2. To analyse the direct relationship between organisational change and employee stress by identifying key stress inducing factors during transitional phases.

- 3.To examine the extent to which employee stress influences individual performance outcomes including productivity, motivation and work effectiveness.
- 4.To investigate the mediating effect of employee stress on the relationship between organisational change and employee performance.
- 5.To assess the effectiveness of organisational support mechanisms in mitigating stress and strengthening performance during change implementation.

LITERATURE REVIEW

Organisational change has emerged as a central theme in the fields of management and organisational behaviour because of its strong influence on an organisation long term survival and competitive position. Researchers widely acknowledge that change is not an optional activity but a continuous organisational reality shaped by technological progress, shifting market conditions and evolving strategic priorities. Early theoretical perspectives primarily focused on systematic and planned change processes underlining the roles of effective leadership, clear communication and active employee participation in ensuring successful implementation. Gradually scholarly attention has moved beyond formal structures and procedures to examine the human side of change particularly the behavioural and psychological responses that accompany organisational transformation. Four theories have been applied to organisational change in general practice: (1) systems (2) organisational development (3) complexity and (4) social worlds. These map onto a widely accepted typology of organisational change which suggests four basic types of theory, emphasising goals, people, evolution, and conflict as triggers and mechanisms for change. Systems theory emphasises the interrelatedness of parts of an organisation. Improving one part requires that consideration be given to the relationships with other parts of the system. It is considered equally important to measure organisational aspects such as infrastructure, tasks, technologies and resources (human and financial). Organisational change can be introduced by altering these variables singly or in combination. Organisational development is defined as a discrete episode of planned change in organisations through the application of behavioural sciences and it therefore emphasises human processes in an organisation. It assumes that successful organisational change depends on agreement between individual and organisational goals. Complexity theory is the study of systems that are characterised by non-linear dynamics. It suggests that practices are complex adaptive systems consisting of local agents whose interactions lead to continually emerging novel behaviour. Change emerges as a result of interactions between agents at a local level in the complex system and between the system

and its environment. The belief is that efforts to change practice should be preceded by efforts to understand it. The focus is on informally reviewing processes and structures in a way that helps a team to have a sense as to what works well and what could be improved. Social worlds theory suggests that change emerges as a function of negotiation and renegotiation between two or more social worlds. This theory emphasises the importance of considering who is using the indicators and for what purpose.¹

McHugh (1997) suggested that stress should be included in the change management agenda. She argued that people involved in the management of change need to acknowledge the fact that increased pressure and stress are put on employees because of continuous organizational change and that it is necessary for organizations to think of incorporating a stress management programme within the change management programme. Moreover, Armenakis and Bedeian (1999, p. 307) considered stress as an obstacle to change planning and implementation and they argued that: Receptivity, resistance, commitment, cynicism, stress, and related personal reactions are clearly relevant criterion variables to be considered in the framework of planning and implementing an organizational change. Change can obviously cause cynicism and stress, thereby inhibiting success.²

Ideally, employee performance has been on the rise as a result of improvement and adoption of change management by most organization. This is because the change in management influences greatly on employees and therefore if proper change is adopted and implemented, it results in increased performance of employees. This is simply because in every change proposal, there are always forces for change and forces against change (Sidikova, 2011). Past empirical studies have mixed results on the effect of change management on employee performance. Kute and Upadhyay (2014) and Abbas, Muzaffar, Mahmood, Ramzan and Rizvi (2014) found a positive relationship on change management factors and employee performance. Dauda and Akingbade (2014) in their study found no significant relationship of technological changes and employee performance. Al-Jaradat, Nagresh, Al-Shegran and Jadallah (2013) found a positive relationship between the areas of change (organizational structure, technology, individuals) and the performance of workers. Due to dynamic changes worldwide, universities as well tend to change over time in order to fit the current situation and at the same time maintain and retain customers. While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress (Kamugisha, 2013).³

METHODOLOGY

This study relies completely on secondary sources of information. It carefully examines existing theories, established models and previous research findings to understand how organisational change, employee stress and employee performance are connected. This study builds a clear and logically structured understanding of these concepts. By reviewing and interpreting earlier studies, the research develops a logical conceptual explanation of how these variables influence one another. The required data is collected from peer-reviewed journal articles, academic books on organisational behaviour and change management, conference papers, indexed databases such as Google Scholar, Web Science. In conducting this study, careful attention was given to selecting authentic and academically recognized sources so that the analysis remains dependable and maintains strong scholarly standards.

CONCEPTUAL UNDERSTANDING OF EMPLOYEE STRESS

In the context of organisational change, employee stress can be understood as the psychological and emotional response that arises when employees face uncertainty, increased demands or disruptions in their work environment. Organisational change frequently reshapes existing work processes, modifies job responsibilities, redefines reporting relationships and adjusts performance standards. When these transitions occur without clear communication or sufficient guidance, employees may feel uncertain and experience a diminished sense of control over their work, which can increase their level of stress. It is essential to understand that stress in the workplace is not always harmful. A reasonable amount of pressure can stimulate focus, encourage responsiveness and even improve performance. However, when stress becomes excessive or continues for a long period without proper support, it may result in emotional instability, decreased satisfaction with the job, weakened organisational commitment and reduced performance levels. There are different sources of stress during organizational change:

Uncertainty

When organisations implement structural, technological or strategic changes, employees may not clearly understand how these adjustments will influence their roles, duties or job stability. Such uncertainty can generate feelings of anxiety and concern about the future.

Role ambiguity and role conflict

During organisational change job responsibilities may be revised, reporting lines may be altered and performance standards may be adjusted. As a result employees may find it difficult to clearly understand their duties.

Increased workload and performance pressure

Higher workload and added performance expectations often become important sources of stress during periods of change. When organisations introduce new systems, technologies or work methods employees are expected to adjust to these developments while still achieving their regular goals.

Fear of job insecurity

Job insecurity is a significant source of stress during restructuring. Employees may feel uncertain about their job continuity, role stability or future career prospects. Such concerns can negatively affect their emotional well being and reduce their organisational commitment. Therefore fear of job insecurity during organisational change should be recognised as a critical factor affecting both employee well being and overall performance.

Lack of managerial support and communication

Limited managerial support and poor communication can increase stress during organisational change. When leaders do not share clear information, not provide proper guidance and training employees may feel neglected which make them resistant toward the change process.

EMPLOYEE PERFORMANCE IN THE CONTEXT OF ORGANISATIONAL CHANGE

Employee performance refers to how well employees complete their assigned tasks and contribute to the achievement of organisational objectives. It includes the quality of work, the level of efficiency and the consistency with which duties are performed according to expected standards. In a stable work environment performance is usually influenced by employees' skills, motivation, support from management and clear understanding of their roles. However when organisational change takes place these factors may be affected which can influence overall performance levels. Therefore employee performance in the context of organisational change should be understood as a dynamic and multifaceted concept. It is not solely dependent on individual ability but is significantly shaped by organisational practices, leadership approaches and the way change processes are managed.

IMPACT OF WORKPLACE STRESS ON EMPLOYEE PERFORMANCE

Employee performance during organisational change is strongly affected by the level of stress employees experience. When stress is up to limit it can help employees remain attentive and motivated to adjust to new demands. However, when stress becomes excessive or continues for a long time it may impair focus, reduce decision making capacity and decrease overall efficiency. Employees facing uncertainty, heavy workloads or limited support may find it difficult to sustain their normal performance levels. Stress influences not only productivity but also employees' commitment and level of engagement at work. When stress becomes excessive it can result in absenteeism, increase turnover level, decrease emotional stability which ultimately reduce performance result. Thus, when organisational change employee stress serves as a key mediating factor that shapes whether performance is improved or adversely affected.

ROLE OF ORGANISATIONAL SUPPORT IN REDUCING EMPLOYEE STRESS AND ENHANCING PERFORMANCE DURING CHANGE

Organisational support plays a vital role in shaping how employees respond to change initiatives. During organisational transformation, employees may experience uncertainty. In such circumstances, effective organisational support can help lower stress and enable employees to adapt more smoothly to change. When change initiatives are clearly communicated and employees are informed about the purpose and expected outcomes, uncertainty is reduced and anxiety becomes more manageable. Providing appropriate training and development opportunities further enables employees to handle new responsibilities and systems with greater confidence. Offering relevant training helps employees to manage new responsibilities and systems confidently. In addition, supportive leadership creates a sense of trust and psychological security. Involving employees in decision making during organisational change enhances their sense of control and ownership. Providing adequate resource to them and recognising employee efforts boost their moral, motivational level and helps to maintain productivity throughout the change process.

CONCLUSION

This study highlights the link between organisational change, employee stress and performance. Structural, technological, strategic or cultural changes can create uncertainty, causing stress from unclear roles, due to heavy workloads, job insecurity and limited managerial support. Moderate stress may motivate employees but excessive stress harm

focus, decision making, commitment and overall performance. Employee performance during periods of change is influenced not only by structural or operational adjustments but also by employees' psychological responses. When employees receive sufficient support from the organisation they are better equipped to handle the challenges and uncertainties that accompany change. Supportive measures such as clear guidance, access to necessary resources, opportunities for skill development and encouragement from leaders help employees feel confident and capable in managing new responsibilities. This sense of support reduces anxiety and uncertainty, enabling employees to remain focused, maintain efficiency and uphold performance throughout transitional periods.

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