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**Adoption of Change Management Principle in Running Entrepreneurial Businesses in  
the Phase of Covid-19 Pandemic. A case study of Akwa Ibom State**

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**ABSTRACT**

*The study sought to assess the adoption of change management principle in running entrepreneurial businesses in the phase of Covid-19 pandemic. Ex-post facto research design was adopted for the study. The study was conducted in Akwa Ibom State, Nigeria. The population of the study comprised business entrepreneurs in Akwa Ibom State. Strategic sampling technique was used to select 250 entrepreneurs which constituted the sample size for the study. The Main Instrument used in this study was a Questionnaire titled “Change Management Principle, Entrepreneurial Businesses and Covid-19 Pandemic Questionnaire (CMPEBCPQ)”. Face and content validation of the instrument was carried out to ensure that the instrument has the accuracy, and completeness. Cronbach Alpha technique was used to determine the level of reliability of the instrument. The reliability coefficient obtained was 0.89 and this was high enough to justify the use of the instrument. The researcher subjected the data generated for this study to appropriate statistical techniques such as descriptive statistics and simple regression. The test for significance was done at 0.05 alpha levels. From the result of the analysis it was observed that COVID-19 has adversely affected entrepreneurial businesses in Akwa Ibom State; most entrepreneurs have adopted change management principle in running their businesses in Akwa Ibom State amidst the pandemic, such as resorting to use of online marketing and e-commerce. Therefore, change management principle was observed to have significant influence on the entrepreneurial businesses in the phase of Covid-19 pandemic. One of the recommendations was that in the management of change, manager needs to anticipate predictable changes as well as being able to smoothly incorporate these changes into the organization as this is basically the entire aim of change management.*

**KEYWORDS: Change Management Principle, Entrepreneurial Businesses, Covid-19 Pandemic.**

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## Introduction

Covid-19 stands for Coronavirus disease which first outbreak occurred in Wuhan, China in December, 2019 (WHO, 2020). Covid-19 according to the World Health Organization is caused by severe acute respiratory syndrome Coronavirus. The Nigerian Centre for Disease Control (NCDC), reports that the virus is mainly spread among people having close contact often through small droplets produced during coughing, sneezing or talking. While these droplets are produced when breathing out, they usually fall on the ground or onto surface rather than being infectious over large distances. According to NCDC (2020), the virus can survive on surface up to 72 hours. Covid-19 is most contagious during the first two days after onset of symptoms, although spread maybe possible before symptoms appear and in the later stages of the diseases.

Change is basically a variation in the common way of doing things. Whenever people perform a task in a certain way, they get accustomed to them. They develop methods which they can implement routinely to achieve these tasks. Any variation in these methods is nothing but change. Changes may be either natural or reactive. Natural changes generally occur routinely in the ordinary course of business. For example, the effects of the growth of an organization lead to changes in management styles. On the contrary, reactive changes happen as a reaction to the organization's policies or its environment.

## Statement of the Problem

On daily basis, new cases of Covid-19 emerge around the world. People are being affected by the rate at which the virus spreads, they are being quarantined in hospitals and other municipalities, and the movement of labor and vital supplies has been significantly distorted. Currently, Covid-19 has been considered a pandemic as a result of its speed and scale of transmission. Disruptions to production have now spread to supply chains across the world. All businesses, regardless of size, are facing serious challenges, especially entrepreneurs, with a real threat of significant declines in revenue, insolvencies and job losses in specific sectors. Sustaining business operations will be particularly difficult for Small and Medium Enterprises (SMEs). The study therefore sought to assess the adoption of change management principle to enhance effective running of entrepreneurial businesses in the phase of Covid-19 Pandemic.

## Objectives of the Study

The main objective of the study was to assess the adoption of change management principle to enhance effective running of entrepreneurial businesses in the phase of Covid-19 Pandemic. Specifically, the study sought to:

1. Examine the extent of COVID-19 effect on entrepreneurial businesses in Akwa Ibom State.
2. Find out the extent of adoption of change management principle in running business by entrepreneurs in Akwa Ibom State.
3. Determine the influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 pandemic.

## Research Questions

1. To what extent does Covid-19 affect entrepreneurial businesses in Akwa Ibom State?
2. To what extent has change management principle been adopted in running business by entrepreneurs in Akwa Ibom State?

3. What is the influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic?

### **Hypothesis**

H<sub>01</sub>: There is no significant influence of change management principles on entrepreneurial businesses even in the phase of Covid-19 pandemic.

### **Literature Review**

#### **Concept of Covid-19 Pandemic**

According to ECDPC (2020), the first people with Covid-19 had links to an animal and seafood market. This fact suggested that animals initially transmitted the virus to humans. However, people with a more recent diagnosis had no connections with or exposure to the market, confirming that humans can pass the virus to each other. Symptoms vary from person-to-person with Covid-19. Common symptoms include: Fever, Breathlessness and Cough. It may take 2–14 days for a person to notice symptoms after infection. Gralinski and Menachery (2020) posited that to prevent transmission, people should stay at home and rest while symptoms are active. They should also avoid close contact with other people. Covering the mouth and nose with a tissue or handkerchief while coughing or sneezing can also prevent transmission. It is important to dispose of any tissues after use and maintain hygiene around the home. According to Chen (2020), the transmission of covid-19 is believed to occur via respiratory droplets from coughing and sneezing. Virus released in respiratory secretions that can infect other individuals via direct contact with mucous membranes. Droplets usually cannot travel more than 6 feet.

#### **Concept of Change Management**

Change is often said to be the only constant in one's life. This statement holds true for business organizations as well. External and internal factors almost always lead to changes in the way things happen. One of the most important tasks of managers is to implement these changes smoothly. Changes in its external and internal environment constantly affect every business's activities. These changes can happen either at individual levels or at the organizational level. Furthermore, it affects employees as well as managers. It is also basic human nature to resist changes, especially drastic ones. Since an organization's success depends on how well it adapts to change, management of these situations is crucial (AL-Abrow& Abrishamkar, 2013). This is where change management comes into play. Preventing changes is not always possible as they are inevitable sometimes. However, it is possible to plan for changes and overcome them. The management must always strive to ensure changes happen smoothly. The organization and its members must not find changes too extreme.

#### **Types of Change Management Principles**

No single methodology fits every company, but there is a set of practices, tools, and techniques that can be adapted to a variety of situations. What follows is a "Top 10" list of guiding principles for change management. Using these as a systematic, comprehensive framework, executives can understand what to expect, how to manage their own personal change, and how to engage the entire organization in the process.

**Address the "human side" systematically:** Any significant transformation creates "people issues." New leaders will be asked to step up, jobs will be changed, new skills and

capabilities developed, and employees will be uncertain and resistant. It should be based on a realistic assessment of the organization's history, readiness, and capacity to change for it to be effective.

***Start at the top:*** Because change is inherently unsettling for people at all levels of an organization, when it is on the horizon, all eyes will turn to the CEO and the leadership team for strength, support, and direction. The leaders themselves must embrace the new approaches first, both to challenge and to motivate the rest of the institution (Neil, et al. 2016).

***Involve every layer:*** At each layer of the organization, the leaders who are identified and trained must be aligned to the company's vision, equipped to execute their specific mission, and motivated to make change happen (Hotho, 2008).

***Make the formal case:*** Individuals are inherently rational and will question to what extent change is needed. They will look to the leadership for answers. The articulation of a formal case for change and the creation of a written vision statement are invaluable opportunities to create or compel leadership-team alignment (Westenholz, 2013).

***Create ownership:*** Leaders of large change programs must over-perform during the transformation and be the zealots who create a critical mass among the work force in favor of change. This demands ownership by leaders willing to accept responsibility for making change happen in all of the areas they influence or control (Kemp, and Low, 2008).

***Communicate the message:*** Too often, change leaders make the mistake of believing that others understand the issues, feel the need to change, and see the new direction as clearly as they do. The best change programs reinforce core messages through regular, timely advice that is both inspirational and practicable.

***Assess the cultural landscape:*** Thorough cultural diagnostics can assess organizational readiness to change, bring major problems to the surface, identify conflicts, and define factors that can recognize and influence sources of leadership and resistance.

***Address culture explicitly:*** Leaders should be explicit about the culture and underlying behaviors that will best support the new way of doing business and find opportunities to model and reward those behaviors. This requires developing a baseline, defining an explicit end-state or desired culture, and devising detailed plans to make the transition (Carter, 2008).

***Prepare for the unexpected:*** No change program goes completely according to plan. Effectively managing change requires continual reassessment of its impact and the organization's willingness and ability to adopt the next wave of transformation. Change leaders can make the adjustments necessary to maintain momentum and drive results.

***Speak to the individual:*** Individuals need to know how their work will change, what is expected of them during and after the change program, how they will be measured, and what success or failure will mean for them and those around them. Team leaders should be as honest and explicit as possible (Self and Schraeder, 2009).

### **Concept of Entrepreneurial Business**

Entrepreneurship can be conceptualized as the discovery of opportunities and the subsequent creation of new economic activity, often via the creation of a new organization (Reynolds, 2005). Due to the fact that there is no perfect market for "opportunities", the entrepreneur

must exploit them, meaning that he or she must develop his or her capabilities to obtain resources, as well as organize and exploit opportunities.

Entrepreneurship is often discussed under the title of the entrepreneurial factor, the entrepreneurial function, entrepreneurial initiative, and entrepreneurial behavior and is even referred to as the entrepreneurial “spirit. The entrepreneurial factor is understood to be a new factor in production that is different to the classic ideas of earth, work and capital, which must be explained via remuneration through income for the entrepreneur along with the shortage of people with entrepreneurial capabilities. Its consideration as an entrepreneurial function refers to the discovery and exploitation of opportunities or to the creation of enterprise. Entrepreneurial behaviour is seen as behaviour that manages to combine innovation, risk-taking and pro-activeness (Miller, 1983). Entrepreneurial initiative covers the concepts of creation, risk-taking, renewal or innovation inside or outside an existing organization. Lastly, the entrepreneurial spirit emphasizes exploration, search and innovation, as opposed to the exploitation of business opportunities pertaining to managers.

### **Effect of COVID -19 on Entrepreneurial Business**

The spread of Covid-19, is causing severe disruption to the society, and businesses in Nigeria and globally. As the country strives to cope with the uncertainties of this crisis and businesses continue to implement their pandemic response strategies, it is important that organizations stay on top of the financial, tax and regulatory issues that could impact their operations in the short and long term (Chen, Zhang, and Lu 2020).

A pause in entrepreneurs’ business has subsequently affected the business sector in the following ways (Ugochukwu, 2020): (a) The quantity of jobs (both unemployment and underemployment); the shock to labor demand is likely to translate into significant downward adjustments to wages and working hours, following the mass withdrawal of individuals into their homes. Since the only business firms instructed by the government to operate are the supermarkets and pharmaceutical shops, informal employment tends to increase. However, the current limitations on the movement of people and goods may restrict this type of coping mechanism. (b) The quality of work (e.g. wages and access to social protection); worker’s remuneration will subsequently reduce in the operating businesses due to lack of customers to patronize them. (c) Effects on specific groups who are more vulnerable to adverse labor market outcomes. According to Orlik, Jamie, Maeva & Jinshan (2020), migrant workers are particularly vulnerable to the impact of the lockdown, which will constrain both their ability to access their places of work in destination countries and return to their families.

## Change Management Principles and Entrepreneurial Business in the Phase of Covid-19

It is almost certain that the way entrepreneurial businesses are affected today will have an impact on how entrepreneurship is perceived as a job choice in the future. The changes we observe today may be a double-edged sword. Some might argue that the crisis could negatively impact the risks associated with entrepreneurship, and ultimately hinder start-ups in attracting the right talent; others might suggest that the changes we observe today could alter perceptions of entrepreneurship for the better. In applying change managements, some new-born entrepreneurs and start-ups have been more opportunistic during the pandemic, pivoting their businesses through some kind of “repurposing” and redirecting existing knowledge, skills, people and networks to new needs that have emerged. From start-ups and individuals producing and selling face masks and shields to their local communities, to local taxi start-ups turning into grocery delivery companies, the nature of innovation is often incremental but, at the same time, essential for survival and adapting to our “new normal” (AL-Abrow, & Abrishamkar, 2013).

Business leaders see managing a crisis as an inevitable part of their role. The key to managing any crisis is preparation. Here are actions that leaders can take to ensure organization survival and also possible to withstand what are ahead (Alyaa, Fatima and Abdul, 2013):

***Review workforce locations and travel:*** The first priority is to establish exactly where staffs are and how many workers are in affected or vulnerable territories. Have they asked to work from home? Upcoming travel plans will need to be reviewed, rescheduled, or canceled. Clear policies should be in place to address absence due to sickness or caring for relatives, the protocol for visitors to company sites, the procedure for reporting illness, and travel restrictions.

***Revisit your crisis and continuity plans:*** Every well-run business has a crisis or continuity plan, and many will have a specific pandemic plan. But nothing tests theory quite like reality. Generic plans need to be adapted and tailored to cope with the specific challenges of an epidemic. If large numbers of your employees have to work remotely for a time, for example, is there enough technology bandwidth to cope? During any crisis, the biggest worry for CEOs is gathering accurate information quickly. How will data flow during this crisis?

***Evaluate the supply chain:*** A clear understanding of your supply chain will help to expose any potential vulnerability. This means beginning with the most critical products and looking well beyond first- and second-tier suppliers, right down to the raw materials, if possible. For example, if your products contain a component from a country that becomes isolated, is there a secondary supply? Contingency plans can run into difficulty quickly if the virus spreads.

***Identify potential points of failure:*** Who are the teams and individuals on whom critical processes or services depend? Are there workers with the right skills who could step into critical roles if needed? Call centers and shared service centers are potentially vulnerable if the virus continues to spread. Can steps be taken to reduce the level of human interaction, such as staggered shifts or remote working? (Alyaa, Fatima and Abdul 2013).

***Get communication right:*** Although we’ve seen employers work hard to keep their workforce informed, disinformation and confusion have spread along with the virus. Your employees (and wider stakeholders) will be looking for reassurance from you that they are being protected and that the business is prepared. Leadership should be seen as a source of truth.

**Use scenario analysis:** With uncertainty rife, and COVID-19 holding the potential to impact every part of a business for months, scenario planning is a critical tool to test preparedness. What are the best- and worst-case scenarios, and is the business equipped to cope? What could be the impact in the longer term? Ask searching questions of your finance team to highlight critical sensitivities.

**Don't lose sight of other risks:** COVID-19 isn't the only threat on the horizon — and often organizations are at their most vulnerable when dealing with a crisis that dominates their attention. The many other risks that your business faces aren't diminished by an epidemic. Cyber security, for example, should always be top of mind.

## Method

An Ex-post facto research design was adopted for the study. The study was conducted in Akwa Ibom State as the area of study. The population of the study comprised business entrepreneurs in Akwa Ibom State. Stratified sampling technique was used to select 250 entrepreneurs which constituted the sample size for the study. The main instrument used in this study was a questionnaire titled “Change Management Principle, Entrepreneurial Businesses and Covid-19 Pandemic Questionnaire (CMPEBCPQ)”. Face validation of the instrument was carried out to ensure that the instrument has the accuracy and completeness. Cronbach Alpha technique was used to determine the level of reliability of the instrument. The reliability coefficient obtained was 0.89 and this was high enough to justify the use of the instrument. The researcher subjected the data generated for this study to appropriate statistical techniques such as descriptive statistics and simple regression. The test for significance was done at 0.05 alpha levels.

## Results

**Research Questions 1:** The research question sought to find out the extent of Covid-19 effect on entrepreneurial businesses in Akwa Ibom State. To answer the research percentage analysis was performed on the data, (see table 1).

**Table 1: Percentage analysis of the extent of Covid-19 effect on entrepreneurial businesses in Akwa Ibom State**

EXTENTS	FREQUENCY	PERCENTAGE
VERY HIGH EXTENT	99	39.6**
HIGH EXTENT	92	36.8
LOW EXTENT	36	14.4
VERY LOW EXTENT	23	9.2*
<b>TOTAL</b>	<b>250</b>	<b>100%</b>

\*\* The highest percentage frequency

\* The least percentage frequency

**SOURCE: Field survey**

The above table 1 presents the percentage analysis of the extent of Covid-19 effect on entrepreneurial businesses in Akwa Ibom State. From the result of the data analysis, it was observed that the highest percentage (39.6%) of the respondents affirmed that Covid-19 effect on entrepreneurial businesses is very high, while the least percentage (9.2%) of the

respondents stated that the extent of Covid-19 effect on entrepreneurial businesses in Akwa Ibom State is very low.

**Research Question 2:** The research question sought to find out the extent of adoption of change management principle in running business by entrepreneurs in Akwa Ibom State. To answer the research percentage analysis was performed on the data, (see table 2).

**Table 2: Percentage analysis of the extent of adoption of change management principle in running business by entrepreneurs in Akwa Ibom State**

EXTENTS	FREQUENCY	PERCENTAGE
VERY HIGH EXTENT	19	7.6*
HIGH EXTENT	35	14
LOW EXTENT	84	33.6
VERY LOW EXTENT	112	44.8**
<b>TOTAL</b>	<b>250</b>	<b>100%</b>

\*\* The highest percentage frequency

\* The least percentage frequency

**SOURCE: Field survey**

The above table 2 presents the percentage analysis of the extent of adoption of change management principle in running business by entrepreneurs in Akwa Ibom State. From the result of the data analysis, it was observed that the highest percentage (44.8%) of the respondents affirmed that the extent of adoption of change management principle in running business by entrepreneurs is very high, while the least percentage of the respondents (7.6%) affirmed that the extent of adoption of change management principle in running business by entrepreneurs in Akwa Ibom State is very high.

**Research Question 3:** The research question sought to find out the influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic. In order to answer the research question, descriptive analysis was performed on the data collected as shown in Table 3.

**Table 3: Descriptive statistics of the influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic**

Variable	N	Arithmetic mean	Expected mean	R	Remarks
Entrepreneurial		16.28	12.5		
	250			0.82*	*Strong to perfect Relationship
Change Management		14.50	12.5		

**Source: Field Survey**

Table 3 presents the result of the descriptive analysis of influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic. The two variables were observed to have strong to perfect relationship at 82%. The arithmetic mean for entrepreneurial (16.28) was observed to be greater than the expected mean score of 12.5. In addition to that, the arithmetic mean as regards change management (14.50) was observed to be higher than the expected mean score of 12.5. The result therefore means that there is

remarkable of influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic.

### Hypotheses 1:

The null hypothesis states that there is no significant influence of change management principles on entrepreneurial businesses in the phase of Covid-19 pandemic. In order to test the hypothesis regression analysis was performed on the data, (see table 4).

**TABLE 4: Simple Regression Analysis of the influence of change management principle on entrepreneurial businesses in the phase of Covid-19 Pandemic**

Model	R	R-Square	Adjusted R Square	Std. error of the Estimate	R Square Change
1	0.82a	0.67	0.67	1.24	0.67

\*Significant at 0.05 level; df= 248; N= 250; critical R-value = 0.139

The above table 4 shows that the calculated R-value (0.82) was greater than the critical R-value of 0.139 at 0.5 alpha levels with 248 degree of freedom. The R-Square value of 0.67 predicts 67% of the influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic. This rate of percentage is highly positive and therefore means that influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic. It was also deemed necessary to find out the influence of the variance of each class of independent variable as responded by each respondent (see table 5).

**TABLE 5: Analysis of variance of influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	783.68	1	783.68	509.904	.000b
Residual	381.16	248	1.537		
Total	1164.84	249			

a. Dependent Variable: Entrepreneurial

b. Predictors: (Constant), Change Management

The above table presents the calculated F-value as (509.904) and the P-value as (000). Being that the P-value (000) is below the probability level of 0.05, the result therefore means that there is significant influence exerted by the independent variables (change management) on the dependent variable which is entrepreneurial. The result implies that there is significant influence of change management principle on entrepreneurial businesses even in the phase of Covid-19 Pandemic. The result therefore was in agreement with the research findings of AL-Abrow, & Abrishamkar (2013), who posits that in applying change managements, some new-born entrepreneurs and start-ups have been more opportunistic during the pandemic, pivoting their businesses through some kind of “repurposing” and redirecting existing knowledge, skills, people and networks to new needs that have emerged.

### Conclusion

COVID-19 has adversely affected entrepreneurial businesses in Akwa Ibom State, most entrepreneurs has adopted change management principle in running their businesses in Akwa Ibom State amidst the pandemic, such as resorting to use of online marketing and e-commerce. Therefore, change management principle influences entrepreneurial businesses in

the phase of Covid-19 pandemic. The study also concluded that there is significant influence of change management principles on entrepreneurial businesses even in the phase of Covid-19 pandemic.

### **Recommendations**

1. In the management of change manager needs to anticipate predictable changes. Apart from that, he should be able to smoothly incorporate these changes into the organization. This is basically the entire aim of change management.
2. Business entrepreneurs must strive to move with the trend by adopting the use of online platforms such as online banking transactions, online discount to customers, online after-sales services to still render services to customers.
3. Small and medium enterprises are financially more fragile and cash-strapped when market demand is down. Emergency funding programs that target SMEs could be one important components of a response.

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