



Developing A Performance Measurement Framework for Evaluating Organisational Change Initiatives

¹Mohd Nadeem Akhtar, ²Dr. Praveen Mittal and ³Dr. Atiq Ur Rahman

¹Research Scholar, Department of Management, North East Christian University, Dimapur, Nagaland, India

²Professor, Department of Management, North East Christian University, Dimapur, Nagaland, India

³Assistant Professor, Department of Commerce & Management, RRP College, Amethi, Uttar Pradesh, India

Corresponding Author: Mohd Nadeem Akhtar

Abstract

Organisational change initiatives are now routine in both private and public sector organisations, yet their results are often ambiguous and uneven. While the change management literature has identified many drivers of successful change, the notion of “success” itself is frequently treated in a vague or binary manner, with limited attention to systematic measurement. At the same time, the performance measurement literature has developed robust principles for designing multi-dimensional performance systems, but these are rarely applied specifically to change initiatives.

This paper develops a performance measurement framework for evaluating organisational change initiatives by integrating insights from both fields. Drawing on a narrative review of research on organisational change and performance measurement, the paper proposes a multidimensional, life-cycle-based framework that links leading and lagging indicators across five domains: strategic alignment and value creation, change process quality, stakeholder readiness and outcomes, operational and financial performance, and learning and adaptability. The framework is intended to be conceptually robust yet practical enough to integrate with existing systems such as the Balanced Scorecard. Two illustrative tables summarise the domains, example indicators and their positioning across the change life-cycle. The paper contributes by (a) making “change success” more observable and discussable, (b) encouraging organisations to monitor both hard and soft indicators, and (c) providing a base for future empirical testing of change performance models.

Keywords: Organisational change, performance measurement, change evaluation, balanced scorecard, dynamic capabilities

1. Introduction

Organisational change has become a constant feature of contemporary life. Restructuring, digital transformation, mergers and cultural change programmes are no longer exceptional projects but recurring activities. Reviews of the organisational change literature show a rich variety of models explaining how and why change unfolds, ranging from prescriptive stage models to processual and political perspectives (Armenakis & Bedeian, 1999; Pettigrew *et al.*, 2001) [2, 13]. Yet assessments of outcomes remain contested.

The widely repeated assertion that 70% of change initiatives fail has been influential in practice, but critical examination suggests that this statistic is poorly grounded, often based on consultant estimates rather than systematic evidence (Hughes, 2011) [7]. More importantly, “failure” and “success” are rarely defined in a precise or multi-dimensional way. Many studies and practitioner reports focus on broad judgements (“the change worked” or “did not work”) or on narrow project indicators such as time, cost

and scope, which do not fully capture deeper organisational effects (Beer & Nohria, 2000; Burnes, 2017) [3, 5].

In parallel, the performance measurement and performance management literature has made significant strides in describing what constitutes an effective performance measurement system. Work on frameworks such as the Balanced Scorecard has promoted a broader understanding of performance that includes financial, customer, internal process, and learning and growth perspectives (Kaplan & Norton, 1992, 1996) [8, 9]. Subsequent studies have emphasised alignment with strategy, balance between different types of measures, and the role of performance systems in learning and adaptation (Neely *et al.*, 1995; Bititci *et al.*, 2012; Franco-Santos *et al.*, 2007) [11, 4, 6]. However, these insights are not yet fully integrated into the evaluation of discrete change initiatives.

This paper responds to that gap by asking: How should organisations measure the performance of their change initiatives in a way that is theoretically grounded and

practically useful? Rather than reporting on a single empirical case, the aim is to construct a performance measurement framework that can guide the design and evaluation of change initiatives across sectors.

The paper is structured as follows. Section 2 reviews key strands of the organisational change and performance measurement literatures. Section 3 outlines the conceptual methodology used to develop the framework. Section 4 presents the proposed performance measurement framework and includes two illustrative tables. Section 5 discusses implications for theory and practice, and Section 6 concludes with directions for future research.

2. Literature review

2.1 Organisational change and determinants of success

Organisational change has been studied from multiple theoretical angles, including planned change, emergent change, institutional theory and sensemaking. Armenakis and Bedeian (1999) [2] categorise the literature around content (what changes), context (why change occurs), process (how change unfolds) and outcomes (what results). Pettigrew *et al.* (2001) [13] similarly argue for contextually grounded, process-oriented research that incorporates history, power and culture.

Prescriptive models, such as Lewin's unfreeze-change-refreeze framework and Kotter's (1995) [10] eight-step model, provide guidance on how to lead change. Kotter (1995) [10] emphasises establishing a sense of urgency, creating a guiding coalition, developing a vision, communicating that vision, empowering broad-based action, generating short-term wins, consolidating gains and anchoring new approaches in culture. These models have been influential in practice, although empirical evidence on their comprehensive application is mixed (Burnes, 2017) [5].

Empirical studies of change success and failure point to clusters of factors: leadership commitment, strategic clarity, communication quality, employee involvement, resource availability, and alignment of systems and structures (Beer & Nohria, 2000; Al-Haddad & Kotnour, 2015) [3, 1]. Al-Haddad and Kotnour (2015) [1] integrate this scattered evidence into a model that links drivers, content, process and context, and argue that successful change depends on appropriate configurations of these elements rather than single "magic bullet" variables.

At the same time, Hughes (2011) [7] demonstrates that oft-quoted failure statistics lack a rigorous empirical basis and can distort managerial thinking. Instead of assuming that most change fails, he calls for clearer definitions of success and more nuanced measurement approaches. This reinforces the need for performance frameworks that explicitly define and monitor key outcomes of change over time.

2.2 Performance measurement and performance management

Performance measurement research has evolved from a narrow focus on financial indicators to the design of broader, strategically aligned performance measurement systems. Neely *et al.* (1995) [11] define a performance measurement system as the set of metrics used to quantify the efficiency and effectiveness of actions. They argue that such systems should be aligned with strategy, balanced

between different dimensions (for example, financial and non-financial) and regularly reviewed.

The Balanced Scorecard (BSC), developed by Kaplan and Norton (1992, 1996) [8, 9], is a widely cited framework that organises performance measures into four perspectives: financial, customer, internal business process, and learning and growth. The BSC encourages organisations to track both lagging indicators (for example, financial results) and leading indicators (for example, process and learning measures) and to articulate causal linkages between them. Later work extends the scorecard to public sector and non-profit contexts, as well as to strategy maps and more complex architectures (Kaplan & Norton, 1996) [9].

More recent contributions highlight that performance measurement systems are embedded in broader socio-technical systems and should support learning rather than only control (Bititci *et al.*, 2012) [4]. Franco-Santos *et al.* (2007) [6] argue that performance measurement systems fulfil multiple roles, including managing strategy, communication, influence, and learning, and that poor design can result in overload, gaming or misalignment. Nudurupati *et al.* (2011) [12] emphasise that performance systems must be dynamic and periodically revised to remain relevant in turbulent environments.

The literature on dynamic capabilities offers another relevant lens. Teece *et al.* (1997) [14] conceptualise dynamic capabilities as the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments. Performance measurement systems, in this view, should help organisations sense opportunities and threats, seize them through resource commitments and transform their asset base over time (Teece *et al.*, 1997; Bititci *et al.*, 2012) [14, 4].

2.3 Linking change and performance: gaps in existing work

Despite mature literatures on organisational change and performance measurement, their intersection is relatively under-developed. Many organisations track change programmes through project management dashboards focused on milestones, budgets and deliverables, but these do not capture deeper effects on capabilities, culture or stakeholder relationships (Beer & Nohria, 2000; Al-Haddad & Kotnour, 2015) [3, 1]. In research terms, outcome measures are frequently global ("extent of success") or limited to financial and operational indicators (Hughes, 2011) [7].

Where change evaluation frameworks exist, they often focus on particular contexts, such as lean implementation or enterprise system adoption, and are not generalised into broader measurement architectures. There is limited guidance on how to design a performance measurement system that (a) is anchored in established measurement principles, (b) reflects the multi-dimensional nature of change outcomes, and (c) incorporates the temporal dynamics of change.

This paper proposes a framework that integrates these requirements by applying performance measurement design principles to the specific case of organisational change initiatives. It aims to bridge the conceptual gap and offer a structure that practitioners and researchers can adapt and test.

3. Materils and Methods

3.1 Conceptual and design-oriented approach

The study follows a conceptual, design-oriented methodology. Rather than collecting new empirical data, it synthesises existing research and builds a framework that can later be applied and tested. This approach is consistent with calls in both change and performance literatures for integrative model-building work (Armenakis & Bedeian, 1999; Pettigrew *et al.*, 2001; Neely *et al.*, 1995; Bititci *et al.*, 2012) [2, 13, 11, 4].

A narrative literature review was conducted focusing on influential theoretical and empirical contributions in two domains: (1) organisational change processes and outcomes, and (2) performance measurement system design and use. Searches in major databases (for example, Scopus, Web of Science) used combinations of keywords such as “organisational change evaluation”, “change success measures”, “performance measurement system”, and “dynamic capabilities and performance”. Core works were identified through citation tracking.

From this review, recurring themes were identified relating to:

- What should be measured during change (for example, readiness, process quality, operational impact, learning);
- Principles of good performance measurement (for example, alignment, balance, leading and lagging indicators);
- and the temporal structure of change initiatives (for example, design, implementation, institutionalisation).

These themes were used to generate candidate domains and indicators for the framework. The structure was then refined using design principles recommended in performance measurement research, such as focus, relevance, and clarity

of ownership (Neely *et al.*, 1995; Franco-Santos *et al.*, 2007; Nudurupati *et al.*, 2011) [11, 6, 12].

3.2 Positioning relative to existing frameworks

The proposed framework is not intended to replace existing organisational performance systems. Instead, it is designed as a “module” that can sit alongside or within frameworks such as the Balanced Scorecard. For instance, indicators from the change framework can be mapped onto BSC perspectives or embedded within strategy maps (Kaplan & Norton, 1996) [9]. At the same time, by emphasising learning and adaptability, the framework aligns with dynamic capabilities thinking, translating abstract concepts such as “sensing” and “transforming” into observable indicators (Teece *et al.*, 1997; Bititci *et al.*, 2012) [14, 4].

4. Results: Proposed performance measurement framework

4.1 Domains of change performance

The proposed framework organises performance indicators for organisational change into five domains:

1. Strategic alignment and value creation
2. Change process quality
3. Stakeholder readiness and outcomes
4. Operational and financial performance
5. Learning and adaptability

Each domain captures a distinct aspect of change performance and contains a mix of leading and lagging indicators. Leading indicators act as early signals of trajectory (for example, readiness scores, communication reach), whereas lagging indicators reflect realised results (for example, productivity, customer satisfaction) (Kaplan & Norton, 1996; Neely *et al.*, 1995) [9, 11].

Table 1 summarises the domains, their core questions and illustrative indicators.

Table 1: Domains and example indicators in the change performance framework

Domain	Core question	Example indicators
Strategic alignment and value creation	Is the change clearly linked to strategic priorities and expected benefits?	Existence and clarity of business case; explicit link to strategic objectives; documented benefit profiles and targets; percentage of key performance indicators (KPIs) updated to reflect the change; senior leadership sponsorship ratings.
Change process quality	Is the change being planned and executed in a disciplined, transparent and adaptive manner?	Existence of a formal change plan; milestone adherence; quality and frequency of communication events; coverage of impact and stakeholder analysis; number of issues and risks logged and resolved over time; frequency of steering-group reviews.
Stakeholder readiness and outcomes	How are key stakeholder groups experiencing the change, and how are their attitudes and behaviours evolving?	Readiness assessment scores (for example, perceived need for change, confidence in leadership); participation rates in consultation and training sessions; employee engagement survey items on understanding and support; size and reach of change champion networks; reported resistance incidents; absenteeism and voluntary turnover in affected units.
Operational and financial performance	What impact is the change having on core operations and financial performance?	Process cycle time; error and rework rates; service levels; customer satisfaction or Net Promoter Score in impacted segments; unit costs; revenue, margin or cost savings attributed to the change (where traceable).
Learning and adaptability	Is the organisation learning from the change and enhancing its capacity to change in future?	Number and quality of lessons-learned reviews; implementation rate of agreed improvement actions; maturity ratings for change management practices; cross-project knowledge sharing activities; time taken to stabilise new processes and systems.

Source: Developed by the authors, informed by Armenakis and Bedeian (1999) [2], Al-Haddad and Kotnour (2015) [1], Neely *et al.* (1995) [11], Kaplan and Norton (1996) [9], Bititci *et al.* (2012) [4], Franco-Santos *et al.* (2007) [6] and Teece *et al.* (1997) [14].

4.2 Life-cycle perspective and indicator phasing

To avoid static or fragmented assessment, the framework adopts a life-cycle perspective. Change initiatives typically pass through a design phase (problem diagnosis and solution design), an implementation phase (roll-out and adaptation),

and an institutionalisation phase (embedding and continuous improvement). Different indicators are more salient at different phases (Kotter, 1995; Al-Haddad & Kotnour, 2015) [10, 11]. Table 2 provides an illustrative mapping of selected leading and lagging indicators across these phases.

Table 2: Illustrative phasing of key indicators across the change life-cycle

Phase	Leading indicators	Lagging indicators
Design	Clarity of strategic objectives; documented business case; completeness of stakeholder analysis; baseline performance measures available; readiness assessment scores; identification of key risks and dependencies.	Approval of change portfolio; degree of alignment between project charters and strategic priorities; percentage of performance measures revised to incorporate change aims.
Implementation	Communication reach and frequency; training completion rates; utilisation of support channels (for example, helpdesks, champions); issue and risk closure rates; early adoption metrics (for example, log-ins to new systems, use of new processes).	Short-term operational indicators (for example, cycle time, error rates in pilot areas); early customer feedback; deviation from budget and timeline; local performance against short-term targets.
Institutionalisation	Frequency and quality of lessons-learned and after-action reviews; monitoring of new behaviours and practices; maturity assessments of change management capabilities; identification of further improvement opportunities.	Sustained operational and financial performance compared with baseline; employee engagement and retention in affected units; customer satisfaction in impacted segments; replication of successful change patterns in subsequent initiatives.

Source: Developed by the authors, adapted from Kotter (1995) [10], Al-Haddad and Kotnour (2015) [11], Kaplan and Norton (1996) [9], Bititci *et al.* (2012) [4] and Teece *et al.* (1997) [14].

4.3 Application in organisational settings

In practice, an organisation would start by selecting a specific change initiative (for example, a digital transformation programme or a restructuring of service delivery) and then tailor the framework. This involves:

- Clarifying which strategic objectives the change is expected to support;
- Selecting a manageable set of indicators within each domain;
- Defining data sources, responsibilities and reporting routines.

For example, in a hospital introducing an electronic health record system, strategic alignment indicators might include explicit links to quality and safety goals; process quality measures could include training completion and error-reporting rates; stakeholder outcomes might focus on clinician acceptance and perceived impact on patient care; operational measures could track documentation time and medication error rates; and learning indicators might cover cross-departmental sharing of implementation lessons.

The framework encourages organisations to give equal attention to “hard” performance data and “soft” indicators of attitudes, behaviours and learning. This balance reflects the insight that long-term sustainability of change depends not only on immediate performance gains but also on how the organisation’s capacity to change evolves (Bititci *et al.*, 2012; Franco-Santos *et al.*, 2007) [4, 6].

5. Discussion

5.1 Contribution to the change and performance literatures

The proposed framework contributes to the organisational change literature by moving beyond simple success/failure narratives and providing a structured way to operationalise change performance. Rather than treating outcomes as a single construct, the framework recognises that strategic alignment, process quality, stakeholder experience,

operational results and learning are all relevant dimensions (Armenakis & Bedeian, 1999; Al-Haddad & Kotnour, 2015; Hughes, 2011) [2, 1, 7].

From a performance measurement perspective, the framework applies established design principles-alignment, balance, and dynamic review-to a specific class of organisational activities: strategic change initiatives (Neely *et al.*, 1995; Kaplan & Norton, 1996; Nudurupati *et al.*, 2011) [11, 9, 12]. By incorporating both leading and lagging indicators and linking them explicitly to change phases, it supports more informed decision-making during the life-cycle of a change programme.

The framework also resonates with the dynamic capabilities view by translating sensing, seizing and transforming into observable measures: readiness and stakeholder indicators relate to sensing; process and early operational metrics relate to seizing; and learning and institutionalisation measures relate to transforming (Teece *et al.*, 1997; Bititci *et al.*, 2012) [14, 4].

5.2 Managerial implications

For managers, the framework offers several practical benefits. First, it helps make expectations explicit at the outset of a change initiative. By discussing which indicators will be tracked, leaders and stakeholders can clarify what “success” means in strategic, operational and human terms, which reduces the likelihood of later disputes (Beer & Nohria, 2000; Hughes, 2011) [3, 7].

Second, embedding leading indicators such as readiness scores, communication reach and training completion encourages proactive management. Rather than waiting for poor financial or operational results, change leaders can identify and address emerging problems during implementation (Kotter, 1995; Nudurupati *et al.*, 2011) [10, 12].

Third, the learning and adaptability domain encourages organisations to treat each change as an opportunity to build capability for future change. Capturing lessons,

implementing improvements and tracking maturity of change management practices can, over time, create a more resilient organisation (Bititci *et al.*, 2012; Franco-Santos *et al.*, 2007)^[4, 6].

However, there are also challenges. Collecting and interpreting “soft” data requires trust and methodological competence; poorly designed surveys or superficial engagement exercises may produce misleading signals. There is also a risk of over-measurement, where the effort required to collect and analyse data outweighs the benefits. To mitigate these risks, organisations should prioritise a small number of meaningful indicators, assign clear responsibilities and regularly review the usefulness of each measure.

5.3 Limitations and directions for future research

This study is conceptual and relies entirely on published literature. The framework has not yet been empirically tested in specific organisations or sectors. Future research could adopt a multiple case study design in which the framework is applied to large-scale change programmes, assessing usability and examining how selected indicators correlate with perceived and objective success.

Quantitative research could also explore the relationships between leading and lagging indicators using longitudinal data. For instance, researchers could analyse whether higher readiness scores or stronger communication indicators predict better operational or financial outcomes after implementation. Structural equation modelling or multi-level analysis could be used to examine these relationships, while controlling for contextual factors such as organisation size and sector.

A further line of inquiry could investigate how the maturity of an organisation’s performance measurement system affects the effectiveness of change initiatives. Organisations with more sophisticated, learning-oriented measurement systems may find it easier to integrate and act on change-related indicators (Franco-Santos *et al.*, 2007; Nudurupati *et al.*, 2011)^[6, 12].

6. Conclusion

Organisational change is both inevitable and demanding. While numerous models describe how change should be led, far less attention has been paid to how it should be systematically measured. This paper has developed a performance measurement framework for evaluating organisational change initiatives by drawing together insights from the change management and performance measurement literatures.

The framework identifies five performance domains—strategic alignment and value creation, change process quality, stakeholder readiness and outcomes, operational and financial performance, and learning and adaptability—and maps them across the change life-cycle. It proposes that meaningful evaluation of change requires both leading and lagging indicators and should include human, process and learning dimensions alongside traditional financial and operational metrics.

For practitioners, the framework offers a practical starting point for designing change-specific measurement systems that can be integrated with existing tools such as the Balanced Scorecard. For researchers, it provides a set of

propositions that can be tested, refined and extended through empirical work. By making “change performance” more explicit and measurable, the framework aims to support more grounded conversations about what it means for an organisational change initiative to succeed.

7. References

1. Al-Haddad S, Kotnour T. Integrating the organizational change literature: A model for successful change. *Journal of Organizational Change Management*. 2015;28(2):234–262.
2. Armenakis AA, Bedeian AG. Organizational change: A review of theory and research in the 1990s. *Journal of Management*. 1999;25(3):293–315.
3. Beer M, Nohria N. Cracking the code of change. *Harvard Business Review*. 2000;78(3):133–141.
4. Bititci US, Garengo P, Dörfler V, Nudurupati SS. Performance measurement: Challenges for tomorrow. *International Journal of Management Reviews*. 2012;14(3):305–327.
5. Burnes B. *Managing change*. 7th ed. Harlow: Pearson; 2017.
6. Franco-Santos M, Kennerley M, Micheli P, Martinez V, Mason S, Marr B, *et al.* Towards a definition of a business performance measurement system. *International Journal of Operations & Production Management*. 2007;27(8):784–801.
7. Hughes M. Do 70 percent of all organizational change initiatives really fail? *Journal of Change Management*. 2011;11(4):451–464.
8. Kaplan RS, Norton DP. *The Balanced Scorecard: Measures that drive performance*. Harvard Business Review. 1992;70(1):71–79.
9. Kaplan RS, Norton DP. *The Balanced Scorecard: Translating strategy into action*. Boston: Harvard Business School Press; c1996.
10. Kotter JP. Leading change: Why transformation efforts fail. *Harvard Business Review*. 1995;73(2):59–67.
11. Neely A, Gregory M, Platts K. Performance measurement system design: A literature review and research agenda. *International Journal of Operations & Production Management*. 1995;15(4):80–116.
12. Nudurupati SS, Bititci US, Kumar V, Chan FTS. State of the art literature review on performance measurement. *Computers & Industrial Engineering*. 2011;60(2):279–290.
13. Pettigrew AM, Woodman RW, Cameron KS. Studying organizational change and development: Challenges for future research. *Academy of Management Journal*. 2001;44(4):697–713.
14. Teece DJ, Pisano G, Shuen A. Dynamic capabilities and strategic management. *Strategic Management Journal*. 1997;18(7):509–533.

Creative Commons (CC) License

This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY 4.0) license. This license permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.