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Mariam Beridze

PhD Student of the Faculty of
Economics and Business, Ivane
Javakishvili Tbilisi State University,
Tbilisi, Georgia;
e-mail: beridzemariam@gmail.com
ORCID: [0000-0002-4343-0380](https://orcid.org/0000-0002-4343-0380)

IMPACT OF ORGANIZATIONAL CHANGES ON FINANCIAL EFFICIENCY IN GEORGIAN WATER SUPPLY COMPANIES

ABSTRACT

The modern business environment is highly dynamic and unstable, which is especially noticeable in organizations operating in Georgia. Against the backdrop of global competition, technological progress, and changes in market requirements, organizational changes are inevitable for companies. Changes are directly related to financial efficiency - effective change management can become a prerequisite for company growth and stability, while incorrectly implemented changes increase financial costs, reduce employee motivation, and hinder productivity.

The study concerns the impact of organizational changes in Georgian companies on the organizational development process. The aim of the study is to explore how changes affect the work environment, employee satisfaction, workload, and performance level, which significantly affect the financial efficiency of the organization. The study pays special attention to the influence of such factors as the frequency of changes, the availability of qualified personnel required to implement the changes, and the manager's change management skills.

520 employees of Batumi Water LLC and Kobuleti Water LLC participated in the study. The data were analyzed in SPSS, using frequency distributions, cross-tabulations, Chi-Square test, T-Test, One-Way ANOVA, Mann-Whitney test, multivariate analysis (GLM), and graphical visualization.

The results showed that the frequency of changes significantly affects employee satisfaction. The presence of qualified personnel to implement changes has a strong impact on organizational climate and employee workload. The manager's change management skills also have a significant impact on organizational climate, while the impact on workload change is relatively less. The study also shows that the form of governance existing before the change was more conducive to increasing employee performance than in the period after the change.

These results allow us to provide recommendations to Georgian companies regarding information on change effectiveness, work environment, role of personnel, and management skills, which contribute to improving change management strategies.

Keywords: change management, satisfaction, environment, personnel, competencies, climate, management, financial efficiency

JEL Classification: M10, M12, M14, O15, O30

INTRODUCTION

competition, accelerating technological progress, and constant changes in consumer demands. These processes enable companies to systematically implement organizational changes that include both structural-technological and behavioral-cultural aspects. Change management has become an issue of strategic importance, as it determines the competitiveness, sustainable development, and financial efficiency of the organization.

Practice shows that the successful implementation of changes depends on both the quality of the organizational strategy and management system, as well as the effectiveness of human resources management. Properly planned and implemented changes

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ensure resource optimization, increase employee motivation, and improve performance, while insufficiently thought-out/processed changes may backfire – increase costs, reduce productivity, and negatively affect the work environment.

Georgian organizational practice shows that the implementation of changes is often not based on systematic analysis and strategic approaches, which significantly increases the risk of both managerial and operational challenges. This circumstance determines the relevance of the study: in the conditions of the country's economic development and integration with global markets, the competitiveness of local companies depends on their ability to effectively manage organizational changes.

The object of the study is the companies operating in the Georgian water supply sector – LLC “Batumi Water” and LLC “Kobuleti Water”, which discusses the impact of organizational changes on both organizational development and financial results.

The aim of the study is to analyze the management of the change process and its results, to determine the relationship between changes and organizational climate, employee satisfaction, the quality of managerial competencies, and financial efficiency, as well as to develop recommendations for effective change management.

The article discusses the research analysis of organizational development as a result of organizational changes on the example of Georgian companies, and includes research and analysis of the organization's working environment after the changes, employee satisfaction, workload caused by the changes, an increase in respondents' performance, and other issues. For this purpose, the following hypotheses have been formulated and tested:

- **H1:** The frequency of organizational changes has a significant impact on satisfaction with changes in the organization.
- **H2:** The presence of personnel with appropriate qualifications to implement changes in the organization has a significant impact on the organizational climate and the workload of respondents after organizational changes.
- **H3:** The change in organizational climate and the workload of respondents after organizational changes significantly depend on the manager's management skills in relation to changes.
- **H4:** Promoting the growth of the respondent's performance before organizational changes with the existing form of governance determines the growth of performance in the period after the changes as well.

LITERATURE REVIEW

Organizational change management and organizational development are at the center of attention of many researchers, as the effective implementation of change in the modern business environment is directly related to the success and financial efficiency of an organization. According to many authors (Oreg, Vakola, & Armenakis, 2020; Khaw, 2022; Mahyudin, Parani, & Adda, 2024), the frequency of changes has a significant impact on employee satisfaction and productivity. For example, (Mahyudin, Parani, & Adda, 2024) notes that excessive frequency of changes leads to employee dissatisfaction, while a relatively more reasonable periodicity of changes increases satisfaction and improves organizational climate. Managerial skills and staff qualifications are considered one of the important factors in determining the effectiveness of changes (Errida & Lotfi, 2021; Phillips, 2022; Belias & Koustelios, 2015). According to studies, properly defined change management and the presence of appropriate staff ensure a positive work environment, employee engagement, and productivity (Bommer & Rubin, 2021; Bakker & Demerouti, 2021). These factors are directly related to financial results, as effective changes contribute to the improvement of process optimization, cost reduction, and overall organizational performance.

The importance of organizational climate is especially notable in the post-change period. (Janiukštis, Kovaitė, Butvilas, & Šūmak, 2024) and (Manafe, Riwu Kore, Wadud, & Marnisa, 2025) researchers note that a positive climate promotes employee well-being, teamwork and creative initiative, which has a significant impact on organizational effectiveness. It should also be noted the role of managerial style (Zhang & Bartol, 2020); (Liu, Zhu, & Yang, 2021); (Cao & Hamori, 2020); (Kim & Park, 2022) which determines how an employee maintains high performance in the face of change.

It is important to note that inadequate planning or improper management of change can lead to employee burnout, a negative climate and reduced productivity (Nguyen & Ngo, 2022), (Albrecht, Bakker, Gruman, Macey, & Saks, 2020) (Hussein & Hasan, 2023) (Bah & et al., 2024) Accordingly, a study of companies in Georgia (LLC Batumi Water, LLC Kobuleti Water) showed that the frequency of changes, staff qualifications, and managerial skills together determine changes in organizational climate, workload, and performance.

Finally, it can be said that the existing literature emphasizes that effective change management requires appropriate managerial competencies, proper staff training, and reasonable frequency of changes.

AIMS AND OBJECTIVES

The aim of the study is to assess the effectiveness of organizational changes in Georgian water supply companies. Special attention is paid to determining the impact of change frequency, managerial skills, and qualified personnel on the work environment, employee satisfaction, workload, and productivity.

The objectives of the study are:

1. Identifying the factors that contribute to improving the organizational climate and increasing employee productivity.
2. Determining the role of managers and qualified personnel in the successful implementation of changes and their impact on financial efficiency.
3. Assessing the conditions under which organizational change leads to positive results and when it can have a negative effect.

METHODS

The research and analysis were performed in the environment of the statistical software package SPSS. The study includes 520 employed respondents of Batumi Water LLC and Kobuleti Water LLC. To test the hypotheses, data filtering, transformation, multiple-choice question processing tools, and various statistical procedures and tests were used, namely:

For qualitative variables: Frequency distributions (Frequencies), Crosstabs (Crosstabs) and Custom Tables (Custom Tables) with Chi-square test, to compare the means of two groups of a qualitative variable according to a numerical variable; T Test for comparing means, to compare the means of all groups of a qualitative variable according to a numerical variable; one-way ANOVA, to compare two groups of a qualitative variable according to the medians of the qualitative variable; Mann-Whitney test (Mann-Whitney), to obtain predictive indicators of the influence of several factors on several dependent variables; linear model type; multivariate analysis of variance (Multivariate), to visualize the data for presentation and graphical analysis. The quantitative research method allows us to interview a large number of respondents in a short time. In addition, the data obtained makes it possible to apply statistical procedures. Finally, the presented results can be generalized to the research object (Lim, 2024).

RESULTS

Hypothesis Testing

H1: The frequency of organizational changes has a significant impact on satisfaction with organizational changes.

The study of this issue was conducted on the responses of respondents whose companies had undergone changes; therefore, from the variable of organizational change frequency, "How often are changes implemented in your organization?", we excluded the responses 5 "Changes are not implemented" (3 responses) and 6 "I have no answer" (183 responses).

To confirm the hypothesis, one-way analysis of variance (ANOVA) was used, since the factor - the frequency of organizational changes - is a non-parametric variable, and the dependent variable - satisfaction with the changes made in the organization - is a parametric variable, which is rated on a scale of 1 to 5, with the corresponding values: 1 - completely dissatisfied, ... 5 - completely satisfied.

The first table obtained by one-way analysis of variance represents descriptive statistics (Table 1).

Descriptives								
Q24_1 How satisfied are you with the changes implemented in the organization?								
A25 How often are changes implemented in your organization?	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Once a year.	14	3.27	.640	.170	2.91	3.64	2	4+
Several times a year.	76	2.97	.849	.097	2.77	3.16	1	5
Once every 2–3 years.	160	3.29	.762	.060	3.17	3.41	1	5
Once every 4–6 years.	84	3.28	.837	.091	3.10	3.46	1	4
Total	334	3.21	.805	.044	3.13	3.30	1	5

As can be seen from the descriptive statistics table, the highest level of organizational satisfaction is observed when changes are implemented once every 2-3 years or once every 4-6 years, and the lowest level is observed when changes are implemented several times a year. (Mahyudin, Parani, & Adda, 2024) Mahyudin’s study shows that organizational changes have a significant positive impact on the level of employee satisfaction and the results of the changes, which also have a significant impact on the financial efficiency of the organization. This is directly related to hypothesis 1, that the frequency of changes affects satisfaction. However, it is also worth mentioning Yang’s study (Yang & Hu, 2023), which states that “the frequency of job changes” has a positive effect on satisfaction in the short term, but may be negative in the long term. I think this idea is important when considering the above analysis, because it shows that the frequency of changes has both positive and negative sides. Since we have touched on the analysis of the negative aspects of change, it would be interesting to discuss the study by Khaw (Khaw, 2022), which notes that “frequent changes lead to negative reactions in employees” — “change fatigue” and even cynicism. Oreg’s study (Oreg, Vakola, & Armenakis, 2020) reviews how employees react to change, how the manager’s style and organizational environment affect satisfaction, workload, and productivity. Kuiper’s article also shows that the frequency of changes and the qualifications of personnel directly affect the effectiveness of changes, the work climate, and the workload of employees. The ANOVA table obtained by the procedure (Table 2) establishes the existence of a statistical relationship between satisfaction with changes implemented in the organization and the variable of change frequency. According to the P value, hypothesis H1 is confirmed; we obtained a statistically significant relationship between the mentioned variables at the 0.05 level ($P=0.026$), and $F(3, 330)=3.139$ (Table 2).

Table 2. Analysis of Variance (ANOVA) test, including: Source, df, Mean Square, F, and Sig. Note: Dependent variable: Q24_1 – How satisfied are you with the changes implemented in the organization?

		df	Mean Square	F	Sig.
Between Groups	5.991	3	1.997	3.139	.026
Within Groups	209.907	330	.636	-	-
Total	215.897	333	-	-	-

To determine the effect size of the factor - “A25 How often are changes implemented in your organization?” on the dependent variable “Q24_1 How satisfied are you with the changes implemented in the organization?”, we divided the numerical value at the intersection of the columns “Between Groups” and “Mean Squares” by Total, $5.991/215.897=0.028$, thus obtaining a small effect size.

To obtain a more detailed picture of the frequency distribution of satisfaction caused by changes in the organization, we used the transformation method to represent the variable - Q24 How satisfied are you with the changes implemented in the organization? as an ordinal variable with the categories: dissatisfied (completely dissatisfied + dissatisfied), neutral, and satisfied (completely satisfied + satisfied). The results of the cross-tabulation of these variables are shown in Table 3.

Table 3. Frequency distribution of satisfaction resulting from changes implemented in the organization (in percentages).

A25 How often are changes carried out in your organization?	Q24_3 How satisfied are you with the changes implemented in your organization? (Row N %)		
	Dissatisfied	Neutral	Satisfied
Once a year	7.7%	60.0%	32.3%
Several times a year	25.4%	54.2%	20.3%
Once every 2–3 years	9.7%	53.2%	37.1%
Once every 4–6 years	9.1%	54.5%	36.4%

Table 1 also confirms that the highest level of dissatisfaction with organizational changes is observed when changes are implemented several times a year, and therefore, the lowest level of satisfaction is also observed then. The highest level of organizational satisfaction is observed when changes are implemented once every 2-3 years (37.1%) or once every 4-6 years (36.4%). A very large percentage of respondents hold a neutral position.

H2: The presence of personnel with appropriate qualifications to implement changes in the organization has a significant impact on the organizational climate and the workload of respondents after organizational changes.

H3: The change in organizational climate and the workload of respondents after organizational changes significantly depend on the manager’s management skills towards changes.

Figure 1 presents the data before and after the organizational change. 34% of respondents positively assessed the work process in the organization, and 7% negatively. After the changes implemented in the organization, the percentage of those who assessed it positively decreased instead of increasing (23%), while the number of those who assessed it negatively increased by 9% (when studying this issue, we removed from the study those respondents who reported that no organizational change had occurred). Whether this depends on poor management, the inability of the manager to manage changes, and the lack of appropriately qualified personnel to implement organizational changes, we investigate from the given hypotheses H2 and H3.

To better study this issue, it would be appropriate to analyze the study by Errida (Errida & Lotfi, 2021), which discusses the factors determining the success of organizational changes, including the role of management and the importance of qualifications, which also have a significant impact on the financial efficiency of the organization. Researchers note that the leadership and appropriate qualifications of the manager directly affect the successful implementation of changes. I think that the second and third hypotheses also testify to this.

Naturally, for proper change management, the appropriate level of qualification of the manager is necessary. This is precisely the issue addressed by Phillips' study (Phillips, 2022). This article discusses change management strategies and their practical application. The author notes that effective change management requires appropriate management skills and abilities to minimize resistance and increase employee engagement.

Organizational climate plays a significant role in the change process, which in turn depends on managerial skills. Belias (Belias & Koustelios, 2015) studies the impact of strategic management approaches on organizational culture. The authors note that the leadership of the manager and the change management strategy play an important role in shaping the organizational climate. Managerial skills in change management play an important role in shaping the work environment, employee satisfaction, and performance (Bommer & Rubin, 2021).

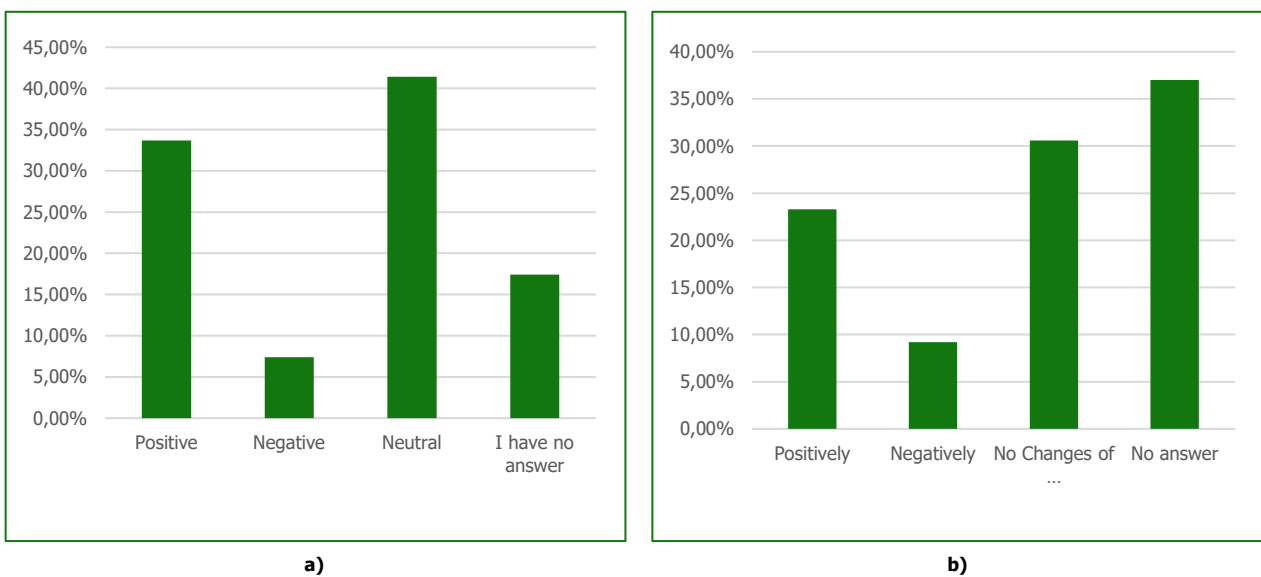


Figure 1. Work Environment Climate Before and After Organizational Change. Note: a) qq13: The current work process is the organization; b) AA28: As a result of the changes, the organizational climate/working environment changed.

We tested whether the climate and workload changes caused by organizational changes, in particular the increase in tasks, depend on the manager's skills and the availability of appropriately qualified personnel, using the general linear model - multivariate analysis (GLM multivariate) procedure, because this procedure allows us to assess the impact and prediction of several factors (in our case, "Q33 Does the organization have appropriately qualified personnel to implement the changes?" and "Q36 How would you rate the manager's change management skills?") on several dependent variables (in this case, "Q28 Organizational climate/work environment as a result of the changes", A26 Did the organizational changes result in an increase in the number of tasks to be performed?).

The main table obtained by the multivariate procedure (Table 4) shows the results of the simultaneous influence of individual factors and both factors on the dependent variables.

Table 4. Between-group effects tests.

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	A28 – The organizational climate/work environment has changed as a result of the implemented changes.	258.890	17	15.229	18.115	.000	.444
	A26 – Did organizational changes lead to an increase in tasks to be performed?	140.199	17	8.247	15.317	.000	.403
Intercept	A28 – As a result of the implemented changes, the organizational climate/work environment has changed.	552.448	1	552.448	657.156	.000	.631
	A26 – Did organizational changes result in an increase in the tasks to be performed?	316.701	1	316.701	588.195	.000	.604
Q33	A28 – The organizational climate/work environment changed as a result of the implemented changes.	14.389	3	4.796	5.705	.001	.043
	A26 – Did organizational changes lead to an increase in the workload?	17.257	3	5.752	10.684	.000	.077
Q36	A28 – The organizational climate/work environment changed following the implementation of the changes.	22.562	4	5.641	6.710	.000	.065
	A26 – Did organizational changes lead to an increase in assigned tasks?	4.588	4	1.147	2.130	.076	.022
Q33 Q36	A28 – The organizational climate/work environment changed as a result of the implemented changes.	6.953	10	.695	.827	.603	.021
	A26 – Did organizational changes result in an increase in tasks to be completed?	9.439	10	.944	1.753	.068	.044
Error	A28 – The organizational climate/work environment changed as a result of the implemented changes.	323.656	385	.841	-	-	-
	A26 – Did organizational changes lead to an increase in the volume of tasks to be performed?	207.295	385	.538	-	-	-
Total	A28 – The organizational climate/work environment changed following the implementation of the changes.	3910.000	403	-	-	-	-
	A26 – Did organizational changes lead to an increase in tasks to be performed?	2187.000	403	-	-	-	-
Corrected Total	A28 – The organizational climate/work environment changed as a result of the implemented changes.	582.546	402	-	-	-	-
	A26 – Did organizational changes result in an increase in tasks to be performed?	347.494	402	-	-	-	-

As can be seen from Table 4, the factor - the presence/absence of qualified personnel to implement changes in the organization affects both dependent variables, namely: with the variable - "A26 Did organizational changes result in an increase in the number of tasks to be performed?" it has the maximum statistical relationship ($P < 0.001$), with an 8% influence effect (greater than the average effect size of the influence, $\text{Eta} = 0.077$, $\text{Eta} > 0.06$) and with the variable "A28 As a result of implementing changes, the organizational climate/work environment has changed" - a very significant statistical relationship at the 0.01 level ($P = 0.001$) with an 4% influence effect ($\text{Eta} = 0.043$).

The same table shows that the manager's change management skills also have a very large impact on the work climate caused by the changes, among which there is a maximum statistical relationship ($P < 0.001$), with an 8% impact effect (more than the medium-sized impact effect, $\text{Eta} > 0.06$, $\text{Eta} = 0.077$).

As can be seen from Table 4, the manager's change management skills have a negligible impact on the increase in tasks to be performed, with a very weak statistical relationship at the 0.01 level ($P = .076$).

We have obtained that individual factor affect the dependent variables, which confirms the H2 and H3 hypotheses, however, the combined effect of both factors on the "variable of organizational climate/work environment change as a result of implementing changes" does not occur at all ($P = .603$, which exceeds 0.05), and on the variable "Did organizational changes lead to an increase in tasks to be performed?" It has a very weak effect, at the 0.1 level ($P = .068$).

The predicted data for the dependent variables under the influence of a separate factor are shown in Table 5.

Table 5. Predicted indicators of the influence of the factor on the dependent variables. Note: The F test examines the effect of "Does the organization have staff with the appropriate qualifications to implement changes?" This test is based on the linearly independent pairwise comparisons among the estimated marginal means.

Dependent Variable		Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
A28 – The organizational climate/work environment changed as a result of the implemented changes.	Contrast	29.331	3	9.777	11.630	.000	.083
	Error	323.656	385	.841	-	-	-
A26 – Did organizational changes lead to an increase in assigned tasks?	Contrast	18.350	3	6.117	11.360	.000	.081
	Error	207.295	385	.538	-	-	-

As can be seen from Table 5, the maximum statistical relationship between the Q33 variable (availability/absence of qualified personnel) and both dependent variables is expected, with an above-average effect size ($P < 0.001$, $\eta^2 > 0.06$, $\eta^2 = 0.08$).

Table 6. Predicted effects of the factor. Note: The F test examines the effect of "How do you assess the manager's change management skills?" This test is based on the linearly independent pairwise comparisons among the estimated marginal means.

Dependent Variable		Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
A28 – The organizational climate/work environment changed as a result of the implemented changes.	Contrast	40.887	4	10.222	12.159	.000	.112
	Error	323.656	385	.841	-	-	-
A26 – Did organizational changes lead to an increase in tasks to be performed?	Contrast	12.911	4	3.228	5.995	.000	.059
	Error	207.295	385	.538	-	-	-

As can be seen from Table 6, the predictive indicator "Q36 How would you rate the manager's change management skills?" The variable also has the maximum statistical relationship with both dependent variables ($P < 0.001$), while it is distinguished by a high effect size with the organizational climate variable caused by changes ($\eta^2 = 0.112$), giving us 11% as a predictive indicator instead of 7%.

The Q36 variable "How would you rate the manager's change management skills?" also changes The expected statistical relationship with the variable "A26 Did organizational changes lead to an increase in the number of tasks to be performed?", if in the case of the existing one, it was a very weak relationship at the 0.1 level (P was equal to 0.076) The forecast indicator is with the maximum statistical relationship, the size of the influence effect also changes from very weak (0.022) to medium size ($\eta^2 = 0.059 = 0.06$).

Thus, in summary, we can say that:

1. The presence of qualified personnel to implement changes in the organization significantly determines the climate of the organizational environment and the change in the workload of the respondents after the changes. This, in turn, also has a significant impact on the financial efficiency of the organization. According to the forecast data, the impact of the presence of qualified personnel on the organizational environment and the workload of the respondents increases even more.
2. The climate of the organizational environment is highly dependent on the manager's change management skills, while the workload of the respondents is not so significant, although according to the forecast data, the impact of the manager's change management skills on both dependent variables increases and will have the maximum statistical relationship with the workload variable, with a medium-sized effect size.

I think that in order to better analyze this issue, it would be appropriate to discuss the article by Manafe (Manafe, Riwu Kore, Wadud, & Marnisa, 2025), which discusses the impact of professionalism, workload, and organizational climate on employee productivity. The data show that these factors have a positive effect on employee productivity, which indicates their important role in the organizational environment. This issue is also discussed in the article by Janiukštis (Janiukštis,

Kovaitė, Butvilas, & Šūmak, 2024), in which the impact of organizational climate on employee well-being and healthy relationships in the workplace is discussed. The data show that a positive organizational climate contributes to employee well-being and healthy relationships in the workplace.

When discussing work group effectiveness, we can analyze the study by Paredes-Saavedra (Paredes-Saavedra, 2024), which discusses the effectiveness of work groups and the importance of organizational culture, work climate, leadership, creative synergy, and emotional intelligence for university employees. The data show that these factors significantly affect the effectiveness of work groups.

In order to present in detail, the dependence of the manager's change management skills and the relevant qualified personnel for implementing organizational changes on the workload of the respondents and the organizational climate caused by the changes, Figures 2 and 3 are presented.

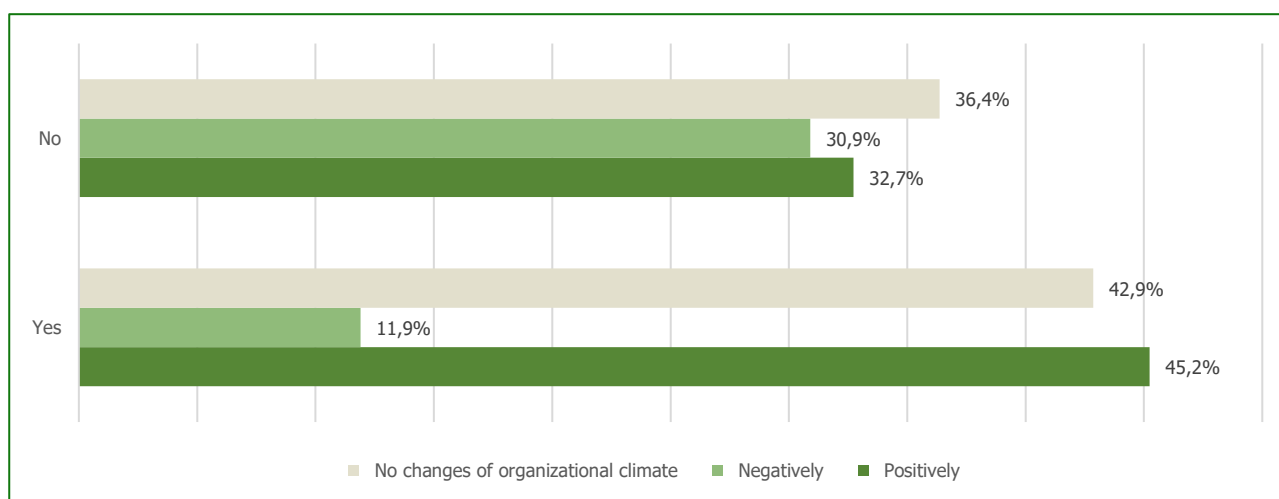


Figure 2. Relationship between the availability of qualified staff for implementing organizational changes and the organizational climate resulting from the changes. Note: Q33 "In your opinion, does the organization have the appropriate qualified personnel to implement the changes?"

As we can see from Figure 2, the majority of respondents (45.2%) note a positive change in the organizational climate in the case of the presence of appropriate personnel to implement organizational changes (category "Yes"), although a not so small percentage (11.5%) note that the climate has changed negatively despite the presence of appropriate personnel, but in the case of the absence of qualified personnel, a negative change in the organizational climate is already noted by a fairly large percentage (30.9%). In the case of the absence of appropriate personnel to implement organizational changes, the majority (36.4%) note that no climate change has occurred (Figure 3).

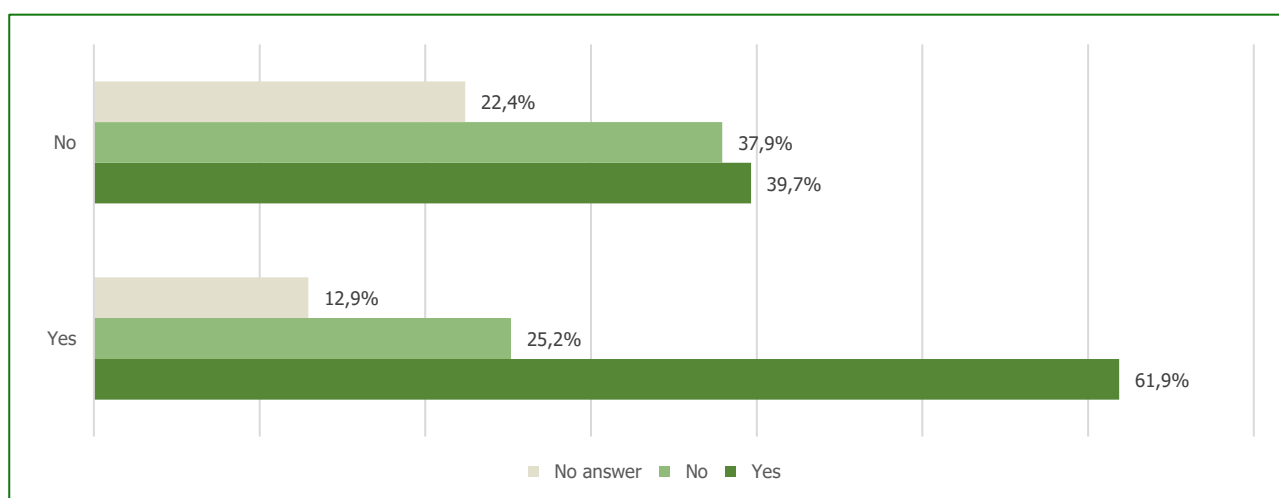


Figure 3. Dependence of respondents' workload on the availability of qualified staff for implementing organizational changes. Note: Q33 "In your opinion, does the organization have the appropriate qualified personnel to implement the changes?"

As Figure 3 shows, both in the presence and absence of the relevant personnel required to implement changes in the organization, there is a change in workload - an increase in tasks, however, in the presence of qualified personnel (category "yes"), there is a large difference between the percentages of increasing workload and denying it, 62% report that there is an increase in tasks, while 25% deny it. In the absence of qualified personnel, no such significant difference is observed, 40% report that there is an increase in tasks, while 38% deny it (Figure 4).

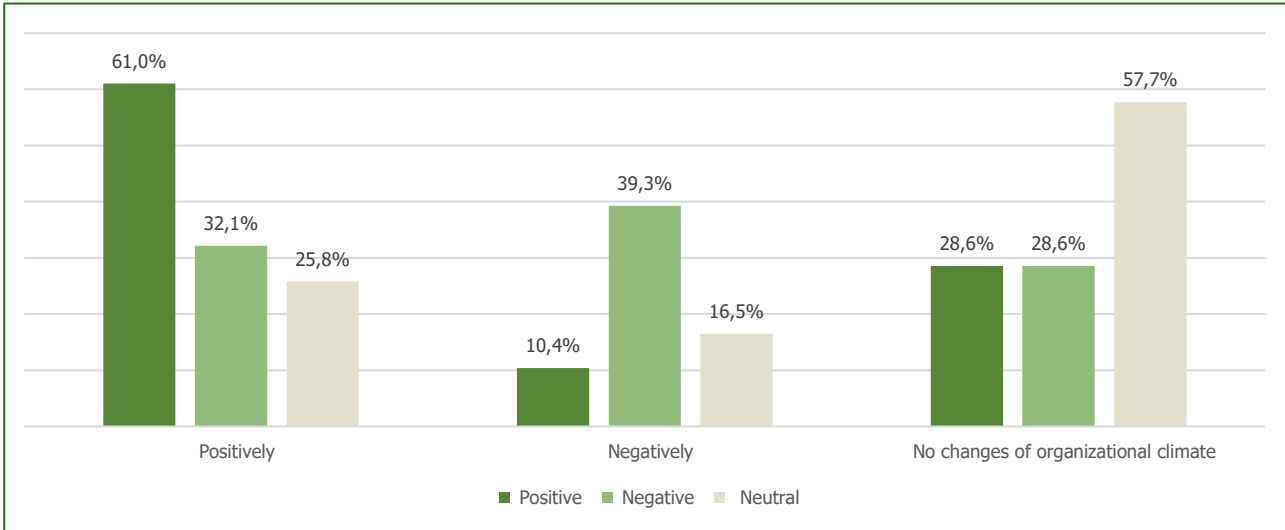


Figure 4. Relationship between the manager's change management skills and the organizational climate resulting from the changes.
Note: Q36 "How would you rate the manager's change management skills?"

As we can see in Figure 4, the majority of respondents (61%) report a positive change in organizational climate when the manager's skills in dealing with change are assessed positively.

In the case of a negative assessment of the manager's skills in dealing with organizational change, the majority also assesses the organizational climate negatively (Figure 5).

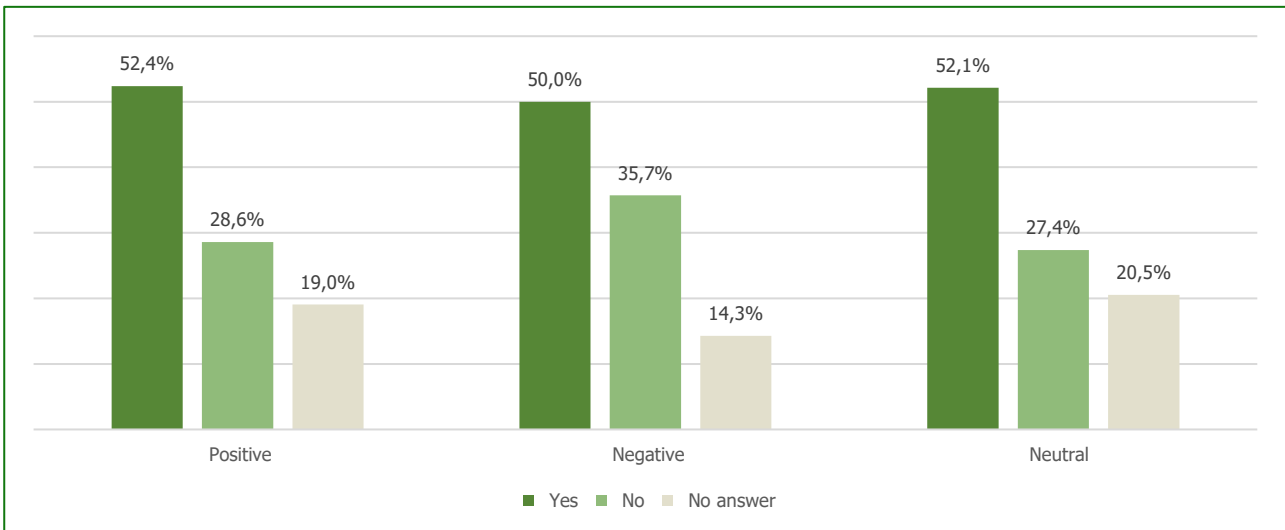


Figure 5. Relationship between the manager's change management skills and workload resulting from changes. Note: Q36 "How would you rate the manager's change management skills?"

In all cases of positive, negative, or neutral evaluation of a manager's change management skills, there is an increase in tasks, although this is most noticeable when the manager's skills are evaluated positively.

I think it is important to emphasize that, against the background of increasing employee tasks, managerial support also affects employee productivity. Bakker's article (Bakker & Demerouti, 2021) notes that managerial support and management skills have a significant impact on employee workload and productivity. As a result, the existing circumstances have a significant impact on the financial efficiency of the organization. Nguyen's article (Nguyen & Ngo, 2022) discusses the

same topic; research shows that a manager's change management skills determine the dynamics of workload and employee reactions to change. Albrecht's article (Albrecht, Bakker, Gruman, Macey, & Saks, 2020) discusses that the quality of a manager's skills is related to changes in employee workload and productivity, especially during periods of organizational change. I think that this study directly addresses H2 (availability of personnel/resources) and H3. Meanwhile, the study reviewed in Hussein's article (Hussein & Hasan, 2023) clearly shows that change management skills are strongly statistically related to organizational climate. This is directly related to the H3 hypothesis. In Bah's article (Bah & et al., 2024), the study shows that employee involvement and "humble leadership" (the manager's leadership style) have a significant positive impact on the effectiveness of changes. This echoes H2 and H3 hypotheses, as it emphasizes the role of manager skills in the organizational process.

In all categories of assessment of manager change management skills (positive, negative, neutral), the change in workload is characterized by almost the same trend, which once again proves that there is a slight difference between the groups.

H4: Promoting the respondent's performance growth before organizational change through the existing governance structure leads to performance growth after the change.

The research reviewed in Zhang's article (Zhang & Bartol, 2020) shows that the impact of managerial style (empowering leadership) on employee performance is maintained during change, which supports hypothesis H4. In Liu's article (Liu, Zhu, & Yang, 2021), the research emphasizes that promoting high performance and engagement before organizational change significantly contributes to employee performance after the change. In Cao's study (Cao & Hamori, 2020), it is noted that effective governance before the change has a positive impact on performance after the change. The results of Kim's study (Kim & Park, 2022) confirm that manager support and organizational framework help maintain performance during change. This has a significant impact on the financial efficiency of the organization.

To test this hypothesis, we used cross-tabulation with the inclusion of a chi-square test. Table 7 shows the frequency distribution of performance after the change relative to performance before the organizational change. Table 8 shows the results of the chi-square test.

Table 7. Dependence of pre-change performance on post-change performance.

		After the changes in the organization, my performance level			
		Decreased	Unchanged	Increased	No answer
		Row N %	Row N %	Row N %	Row N %
Does the current form of governance in the organization contribute to your performance growth?	Yes	0%	54.9%	26.8%	18.3%
	No	1.4%	57.7%	15.5%	25.4%
	I have no answer	0.6%	33.9%	10.1%	55.4%

As Table 7 and Figure 5 show, the level of performance increases most as a result of changes in the organization when the existing governance structure in the organization facilitates performance growth. Unfortunately, the level of performance remains unchanged by a very large percentage, both in the conditions of facilitation and non-promotion (Table 8).

Table 8. Pearson chi-square test results.

		After the changes in the organization, my performance level
Does the current form of governance in the organization contribute to your performance growth?	Chi-square	76.847
	df	6
	Sig.	.000 ^{a,b,c,d}

According to the chi-square test, it is determined that "Does the form of governance in the organization contribute to the increase in performance?" The maximum statistical relationship is established between the variable and the level of performance as a result of changes in the organization (statistical significance P does not exceed 0.001), which confirms Hypothesis 4.

Figure 6 provides a detailed representation of the level of performance as a result of changes in the organization according to the categories of the duration of the form of governance in the organization.

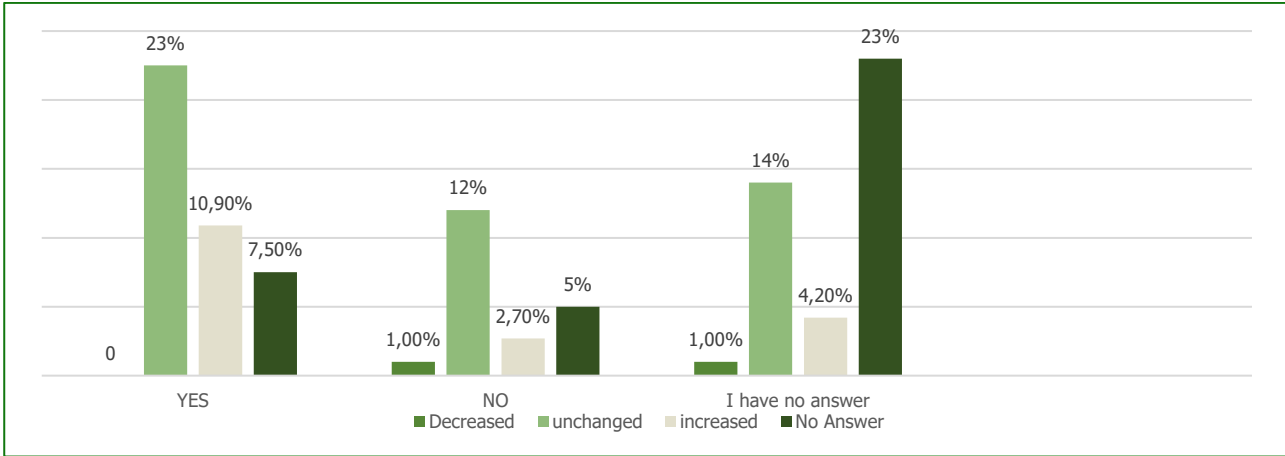


Figure 6. Relationship between the variable "Does the existing management style in the organization support performance improvement?" and the variable "Performance level resulting from organizational changes."

DISCUSSION

Additional studies have shown that the effectiveness of organizational change in Georgian companies has a significant impact on both the work environment and financial results. The data obtained largely confirm, but partially complement and develop existing international studies, highlighting the specifics of countries in transition economies.

The results of the study show that the frequency of change is significantly related to employee satisfaction. This conclusion is consistent with the findings of Oreg, Vakola, and Armenakis (Oreg, Vakola, & Armenakis, 2020) and Mahyudin, Parani, and Adda (Mahyudin, Parani, & Adda, 2024), according to which too frequent changes lead to dissatisfaction. However, our study shows a different result from Yang and Hu (Yang & Hu, 2023), who observed a temporary positive effect — frequent changes in Georgian companies lead to a long-term negative reaction. This indicates that in the conditions of a transition economy, the ability of employees to adapt is limited, and it is necessary to maintain an optimal frequency of changes.

The impact of managerial competencies fully confirms the findings of Errida and Lotfi (Errida & Lotfi, 2021) and Phillips (Phillips, 2022). However, our study adds a new insight: managerial skills have a strong impact on work climate, but relatively less on workload. This partially contradicts the results of Boomer and Rubin (Bommer & Rubin, 2021) and indicates that managers in Georgian organizations place more emphasis on human relations than on operational allocation.

The impact of qualified personnel is consistent with the findings of Belias & Koustelios (Belias & Koustelios, 2015) and Manafe et al. (Manafe, Riwo Kore, Wadud, & Marnisa, 2025). However, our study adds a new dimension by quantitatively assessing: as a result of multivariate analysis, it was found that the presence of qualified personnel statistically significantly determines both work climate and workload changes. This represents new empirical evidence on the role of human capital in the success of organizational changes.

Table 9. Analysis of miscellaneous margins of LLC "Batumi Water."

Year	2020	2021	2022	2023	2024
EBITDA	-3 493 923	-2 799 139	3 430 582	+5,438,000	+7,817,000
Net sales	13 906 783	15 100 626	22 656 732	27,188,000	31,266,000
EBITDA / Net Sales (%)	- 25,12	- 18,54	15,14	20	25

The organizational changes implemented in LLC "Batumi Water" had a significant impact on the company's financial results. In 2020–2021, the company was in the red according to EBITDA (GEL –3.49 million and GEL –2.79 million), which indicated problems with operational efficiency. However, a turning point was identified in 2022: EBITDA became positive for the first time (GEL +3.43 million), and in the following years, profit increased significantly and reached GEL +7.8 million in 2024. At the same time, the EBITDA margin increased from –25.1% (2020) to 25% (2024), which indicates a sharp improvement in financial efficiency. As a result of the implemented changes, the company was able to optimize costs, increase productivity, and achieve stable revenue growth. Accordingly, organizational changes not only improved the working environment but also the company's financial sustainability and efficiency (Table 9).

Accordingly, the presented study makes a new contribution to science by:

1. Determining the optimal frequency of changes in a transitional economy.
2. Reflecting the different impact of managerial competencies and qualified personnel on the work environment and workload.
3. Proves a direct link between the quality of change management and the financial performance of an organization.

These results build on international research and provide new empirical evidence based on Georgian companies on how effective change management contributes to organizational and financial success.

CONCLUSIONS

The study was devoted to the analysis of the impact of organizational changes on employee satisfaction, workload, organizational climate, and financial efficiency in Georgian companies. In accordance with the set objectives, the following conclusions were made:

1. Identification of factors for improving organizational climate and increasing employee productivity:

The most important factors were identified as the frequency of changes, personnel qualifications, and the manager's change management skills. Optimal frequency (once every 2–3 years), and the presence of qualified personnel increase employee satisfaction, and improve the working environment. Overly frequent implementation of changes leads to dissatisfaction and deterioration of the climate.

2. Determining the role of managers and qualified personnel in the successful implementation of changes and financial efficiency:

The results showed that both factors are crucial. Managerial competencies have a positive effect on the working climate, while qualified personnel ensure a balanced workload and sustainable results. The increase in the EBITDA indicator of "Batumi Water" from –25.1% to +25% (2020–2024) confirms that properly managed changes directly affect financial efficiency.

3. Assessment of the conditions causing positive and negative results:

Positive results are achieved when changes are strategically planned, implemented in stages, and ensured by professional managers and qualified personnel. Frequent or incorrectly managed changes lead to dissatisfaction, deterioration of the climate, and a temporary drop in productivity.

Overall, the study confirms that effective change management in a transitional economy requires balancing innovation and stability, professional development of managers, and investment in human capital.

Recommendations

1. In the direction of developing managerial skills:
 - Companies should strengthen managerial change management skills through training and work process simulations, so that they can effectively plan and implement changes.
2. Providing qualified personnel:
 - For the success of changes, it is necessary to provide the organization with appropriately qualified personnel. Companies should develop programs for retraining and increasing the experience of personnel.
3. Optimizing the frequency of changes:
 - Changes should be planned moderately in order to reduce the level of employee dissatisfaction and reduce workload. Changes implemented once every 2–3 or 4–6 years give more positive results. This has a significant impact on the financial efficiency of the organization.
4. Improving organizational climate:
 - When implementing changes, attention should be paid to the comfort of the working environment, employee involvement in the work and decision-making process, and their feedback in order to increase the level of satisfaction and performance.

5. Performance Support:

- Through the existing governance structure, the organization should ensure ongoing support for employee performance, even after changes.

6. Regular Evaluation of Research Results:

- Monitoring the effectiveness of changes and analyzing data should be done periodically to identify and address problems in the organization in a timely manner.

Prospects for further research

Future research is advisable to be conducted in other sectors to generalize the results. Long-term studies are needed to assess the effects of changes over time. It would also be interesting to study the role of employee psychological resilience and digital transformation as factors determining adaptive organizational culture in Georgia.

ADDITIONAL INFORMATION

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CONFLICT OF INTEREST

The Author declares that there is no conflict of interest.

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Берідзе М.

ВПЛИВ ОРГАНІЗАЦІЙНИХ ЗМІН НА ФІНАНСОВУ ЕФЕКТИВНІСТЬ ГРУЗИНСЬКИХ ВОДОПОСТАЧАЛЬНИХ КОМПАНІЙ

Сучасне бізнес-середовище відзначається високою динамікою та нестабільністю, що особливо помітно в організаціях, які працюють на території Грузії. На тлі глобальної конкуренції, технічного прогресу й зміни вимог ринку організаційні зміни для компаній неминучі. Зміни безпосередньо пов'язані з фінансовою ефективністю: ефективне управління змінами може стати передумовою зростання й стабільності компанії, водночас неправильно впроваджені зміни збільшують фінансові витрати, знижують мотивацію співробітників і знижують продуктивність.

Дослідження присвячене впливу організаційних змін у грузинських компаніях на процес організаційного розвитку. Метою дослідження є вивчення того, як зміни впливають на робоче середовище, задоволеність працівників, робоче навантаження та рівень продуктивності, що суттєво впливає на фінансову ефективність організації. Особлива увага приділена впливу таких факторів, як частота змін, наявність кваліфікованих кадрів, необхідних для впровадження змін, і навички керівника з управління змінами.

У дослідженні взяли участь 520 співробітників ТОВ «Батумі Вотер» і ТОВ «Кобулеті Вотер». Дані були проаналізовані в SPSS із використанням частотних розподілів, перехресних таблиць, тесту Хі-квадрат, Т-Test, одностороннього ANOVA, тесту Манна-Уїтні, багатовимірного аналізу (GLM) і графічної візуалізації.

Результати показали, що частота змін суттєво впливає на задоволеність співробітників. Наявність кваліфікованих кадрів для впровадження змін сильно впливає на організаційний клімат і завантаження співробітників. Навички керівника з управління змінами також мають значний вплив на організаційний клімат, а вплив на зміну робочого навантаження відносно менший. Дослідження також показує, що форма управління, яка існувала до змін, була більш сприятливою для підвищення продуктивності працівників, ніж у період після змін.

Ці результати дозволяють надавати грузинським компаніям рекомендації щодо інформації про ефективність змін, робоче середовище, роль персоналу та управлінські навички, що сприяє вдосконаленню стратегій управління змінами.

Ключові слова: управління змінами, задоволеність, навколишнє середовище, персонал, компетенції, клімат, менеджмент, фінансова ефективність

JEL Класифікація: M10, M12, M14, O15, O30