



## A STUDY ON THE IMPACT OF ORGANISATIONAL CHANGE ON IT EMPLOYEES

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### ABSTRACT

*The organisations can never be stable with the increase in the competitiveness. It has to experience changes in order to sustain. Organisational change is inevitable and it is a continuous process. But employees resist these changes, because they feel difficult to adapt a sudden transformation. Both organisation and employees has to work together to handle changes. It is a challenging task for IT companies to implement change in a heterogeneous environment. Therefore, the purpose of the study was to identify the impact of the organisational change on the IT employees and the reasons for the resistance of change by the employees. The findings proved that organisational change do have an impact on employees and there is a significant difference on employees will lose their sense of security, lack of leadership and changes affect employees interest were the reasons for IT employees to resist organisational change. Hence, management has to create trust and a mutual support to the employees to face the changes.*

**KEY WORDS:** *Organisational change, resistance, inevitable, continuous process, IT employees.*

### INTRODUCTION

The term change means alteration. Change is necessary in every human life. From the organisational perspective change is inevitable. In order to survive in the competitive business world there should be changes. Organisational change is nothing but development of the organisation from the present state to an improved state. But these changes either have a negative or a positive effect in the organisation. One of the biggest challenges the organisations face is the resistance to change. Every individuals response differently some may resist change, some accept change and few do not reacts or they seems to be indifferent in positive or negative way. There should be proper planning before implementing change in the organisation. In every organisation especially, in the current scenario, IT companies faces huge transformation. Depending on their projects IT companies implement changes. IT sector is a heterogeneous environment of different culture, different communication styles, and these companies has been operating in different geographic locations with a different time zones. Implementing changes in an IT sector would a great hurdle. They are accountable to unpredictable level of changes from implementation of new technologies, accounting and regulatory activities, updating of skills, etc., which are required in the current competitive business. The concept of organisational change looks scary especially to the employees it requires support from the management to handle these changes. Hence, this study was an attempt to identify the impact of the organisational change on the IT employees and the reasons for the resistance of the employees for changes.

### BACKGROUND OF THE STUDY

There are internal and external factors which influences organisational changes. External factors are those which arise from outside the organisation it may result in a gradual change. Some of the external factors which forces organisational for change are development in the technologies which might change the

quality and nature of work style, political and legal factors because they define the framework in which activities and methods are to be followed to run an organisation, competitive business environment. With the increase in the globalisation, an organisation has to rethink to use resources effectively. The internal factors which necessitate change in the organisation are change in managerial personnel, for example, old managers might be replaced by new managers due to retirement, promotion or transfers so each new manager brings new ideas which ultimately change the organisational functions, deficiency in the existing organisation, nature of workforce in terms of cultural diversity, difference in employees' expectations, etc., forces the organisations to implement change.

But employees and sometimes even organisation resist these changes. Most of the employees resist change because they would be more comfortable in their routine work. But when a change is introduced that might not give a same level of satisfaction, they fear loss or uncertainty, cognitive biases and they have their own justifiable reasons to resist change. Employees may also be emotionally attached with the organisation, this factor may also generate resistance to change. From the organisational perspective the culture of the organisation plays an important role to resist change, organisational structure which was created based on a stable pattern and mechanism prone to resistance to change, some organisation resist change due to resource constraints in terms of additional cost would be incurred to incorporate change. These changes can be effectively managed with the support from the management. There are various ways to overcome the problem of resistance like proper training, communication, counselling to the employees on various aspects of change. Therefore, it is important to understand the impact and reasons for resistance to change depending upon which actions can be taken.

## REVIEW OF LITERATURE

Tushman, M. L., & O'Reilly III, C. A. (1996) explains that organisations evolve over incremental and revolutionary changes. For a successful growth, firm should go through several inexorable changes. It depends on the ambidextrous manager and an ambidextrous organisation to handle changes in multiple cultures and the ability to adjust to radical changes in that environment.

Todnem By, R. (2005) in the critical review argued that the successful management of change is crucial to any organisation in order to survive and succeed in the present competitive business environment. For a successful management change is a highly required skill. It was also said that in the current management, change is reactive and there should be proper pragmatic framework for change management. Kitchen, P. J., & Daly, F. (2002) says that the reevaluation process helps to identify which changes strategic or operational influences survival and growth of the organisation. It was also identified that proper internal communication and a proper reevaluation contributes for a successful implementation of organisational change.

Bovey, W. H., & Hede, A. (2001) says that there should be balance approach to implement change instead of focusing only on the technical aspects because human factors is important which is associated with resistance to aid the change process. And it was also said that there should be intervening strategies to identify and interpret individuals own perception of change. This will ultimately reduce the level of resistance.

Frahm, J., & Brown, K. (2007) identifies that initial change communication is problematic. The employees respond to lack of instrumental change communication with a constructivist communication approach in order to manage continuous change. But it was suggested that the managers has to align employees' expectations of communication with the awareness of organisational goals.

Shirokova, G. et al. (2014) examines that rapid transformation and realignment in the organisation has a strong impact on the firms' growth only in a short and medium term whereas, in a long run there is weaker impact. Therefore various types of organisational changes influence the firms' growth within emerging economies.

Durisc- Bojanovic, M. (2016) says that there are two kinds of employees one who are open to changes and other category are those who feel difficult in accepting changes. These differences can be linked to difference in the cognitive styles of the employees. It was found that employees cognitive styles and the readiness to accept changes are uncertain and unstable it depends on the organisation to provide support in handling change outcomes.

### OBJECTIVES OF THE STUDY

1. To study the impact of organisational change on IT employees
2. To identify the causes of resistance to organisational change

### RESEARCH METHODOLOGY

The data for the study was collected by distributing the structured questionnaire among the IT employees. The study is based on convenient sampling technique. The samples consist of 200 IT employees from Chennai. The data collected was analysed using SPSS and the statistical tools such as percentage analysis, descriptive statistics and ANOVA were used.

### ANALYSIS AND DISCUSSION

The data collected comprises of around 56% of male and around 45% of female; majority (46%) of the respondents belong to 25-30 years of age, 33% of the respondents were below 25 years of age and 21% of the respondents were above 30 years of age; majority (58%) of the respondents were married; 41% of the respondents were professionals, 34% of the respondents has Under Graduate degree and 25% of the respondents has Post Graduate degree; around 39% of the respondents were working as associates, 26% of the respondents were programmer, 25% of the respondents were programmer analyst and 11% of the respondents were senior associates; around 43% of the respondents has 2-5 years of work experience, around 30% of the respondents has less than 2 years of work experience, around 24% of the respondents has 5-8 years of work experience and around 5% has above 8 years of work experience; majority (41%) of the respondents has monthly income between 30,000 – 40,000 and only around 15% has monthly income above 15%.

**Table 1: Descriptive Statistics of Impact of organisational change on information technology employees**

Statements	N	Mean	Std. Deviation
Organisational changes tend to have any kind of impact	200	4.56	.793
There is a challenge while facing the changes in organisation	200	4.06	.692
Commitment of Employees is a major cause for the impact of organisational change	200	4.15	.890
Are there alterations that need to be made to the change management system	200	4.03	.879
Change initiatives are time consuming and costly in the organisation	200	4.09	.968
Organisation focus too much on technological aspects, too less on people	200	3.97	.982
When changes are made in the organisation they are usually for the better	200	3.89	1.036

Employee lose their sense of security in the organisation due to resistance organisational change	200	4.16	1.191
Organisation arrange change management programme	200	3.95	1.001
Will changes affect their own interest, instead of considering the effect for the success of the organisation	200	3.97	1.089
Strategies are satisfied with past change process	200	3.99	.972
Is project and programme ensuring those changes are strategically aligned to business goals	200	4.40	.966
Does organisational changes create high risk, potentially high reward, techno change	200	3.93	.997
Organisational change affect employees change in designation in the organisation	200	3.95	1.055
Work load of the employees get increased due to organisational change	200	3.86	1.071
Support from managers for organisational change is done in your organisation	200	3.79	1.093
Tolerance and compassion from the leaders and executives are supported for the organisation change	200	3.84	1.034
Lack of project is a cause for the organisational change	200	3.82	.996

Table 1 shows that the organisational change tend to have impact has a highest mean value of 4.56 and standard deviation of 0.793 followed by projects and programme are strategically aligned with business goals has mean value of 4.40 and standard deviation of 0.966 whereas lack of projects is the cause for organisational change has lowest mean value of 3.82 and standard deviation of 0.996

$H_{01}$  – There is no significant difference of IT employees towards resistance to organisational change

$H_{a1}$  – There is significant difference of IT employees towards resistance to organisational change

**Table 2: ANOVA of employees causes of resistance to organisational change**

S.No	Statements	Df	F	Sig.
1.	Employee lose their sense of security in the organisation due to resistance organisational change	4	3.516	.000
2.	Lack of leadership is the cause of resistance to organisational change	4	5.113	.000
3.	Will changes affect their own interest, instead of considering the effect for the success of the organisation	3	6.105	.000

Table 2 shows that the employees will lose their sense of security, lack of leadership and changes affect employees interest has table value less than calculated value and it is significant at 1% level. Hence, we accept alternate hypothesis. There is significant difference of IT employees towards resistance to organisational change.

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## CONCLUSION

Changes could be either planned or unplanned. If there is an unplanned change the organisation must take necessary steps to prepare employees to face those changes. There should be strategic planning before implementing change in the organisation. Changes must be made keeping in mind about both the welfare of the organisations and it should be according to the employees skill of adaptability. Organisational change is a continuous process. The success and failure depends on the management in implementing change programme. Therefore, this study was an attempt to identify the impact of the organisational change on the IT employees and the reasons for the resistance of the employees for these changes. The findings proved that organisational change do have an impact on employees and there is a significant difference on employees will lose their sense of security, lack of leadership and changes affect employees interest were the reasons for IT employees to resist organisational change. Thus, management has to create trust and a mutual support to the employees to face the changes.

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