

Effective Change Management – An Empirical Study

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Abstract

Changes in organizations are common in today's complex world. Changes are triggered by external and internal forces. The organizations that adapt to the changing environment and exploit the opportunities will have an edge when compared to the competitors. On the other hand if they fail to adapt, their sustenance and growth will be at stake. In this context, change is a must especially in IT sector which is very dynamic in nature. What is latest today becomes outdated tomorrow. In this fierce competitive environment, IT organizations have to constantly monitor external environment and introduce innovations and changes that can contribute to the survival and prosperity of the organization. Bringing change in the organization effectively is a challenge. It is by nature people resist change. An organization has to thoroughly plan and implement change process so that it will not have hiccups that will adversely affect the organization.

The main objective of the paper is to study effective change management process in IT organizations. It focuses on the driving forces of change, the factors aiding effective change management and its outcomes. The data was collected from a sample of 102 middle and lower management employees in an IT organization through a structured questionnaire. Statistical techniques such as mean, correlation, and chi-square test were employed for data analysis. The study suggests three step change process i.e. prepare to change, build change capacity, and change implementation for effective change management.

Keywords: Change management, Change capacity, Change implementation

Introduction

In the dynamic environment characterized by cut-throat competition, organizations have to constantly be innovative and adaptable to the changing scenario. Change is inevitable but not so easy to introduce in the organization. Change management has to be planned, organized and implemented meticulously to produce the desired outcomes.

Organizational change is often stimulated by a major external force. Typically, organizations undertake technical, structural or strategic shifts in the organization to evolve to a different level in their life cycle. In responding to the external changes organizations must necessarily change and improve the way they make their outcomes so as to meet the needs of customers and community. To manage within the changing environment, organizations must adapt, and adaptation means change.

Many organizations are implementing major changes in the way they do business in response to growing international competition, a significantly changing workforce, increasingly complex and changing work environments, and other pressures. As organizations strive to maintain their competitive edge, they are reorganizing, downsizing and implementing new technology. Ultimately, new and additional job demands are placed on individuals within these organizations. These changes are inevitable in today's work environment. Also inevitable is the fact that employees must adapt to these constantly changing environment in order to survive and prosper. But the problem is they resist change and change cannot be implemented smoothly in the organization.

Conceptual Framework of Change Management

Conner Partners define Change management as “the orchestration of change in a way that identifies and addresses the human risks involved in implementing change. This strengthens the individual and organizational ability to handle change well and increases the chances that the change will be put successfully into practice”.

Change management is a set of processes employed to ensure that significant changes are implemented in a controlled and systematic manner. A comprehensive change management strategy should lead to the desired objectives and create a sense of ownership, enable sustained and measurable improvement and build capability to respond to future change.

Review of Literature

Organizational change continues to occur at a high rate in modern organizations. Accordingly, organizational change is defined as alterations of existing work routines and strategies that affect whole organization (Shin, Taylor, & Seo, 2012). Changes in the organizations occur due to the affect of drivers. The major drivers of the change can be classified into two categories: external drivers (Customer requirements, demand from other stakeholders, such as the Government, regulatory demand, market competition and shareholders) and internal drivers (Improving operational efficiency, need to improve the quality of products and services and process improvement) of change (Oakland & Tanner, 2007). Companies in every industry are increasingly challenged to both respond to and anticipate continuously changing competitive, market, technological, economic, and social conditions to the point where change is described as the "new normal" (Buono, & Kerber, 2010).

Organizations possess a powerful immune system that defends the status quo and resists change. Reasons for resistance to change are numerous, including individual attitudes toward change, fear of the unknown, disruption of routine, conflict with current culture, fear of failure, lack of reward for change, loss of status, control, power, or security, and so on (Guley, Godek, & Gilley, 2009). According to Herscovitch and Meyer's (2002) conceptualization, two types of commitment to change affect discretionary change behaviors: normative commitment to change, defined as support for change stemming from employees' sense of obligation to their organization, and affective commitment to change, defined as a desire to support change based on beliefs about the benefits it brings.

Organizations should adopt the change by implementing the

process smoothly. Leader is the one who facilitates this process. Leadership has a key role to play, both in setting direction, inspiring change throughout the organization and ensuring that change is implemented (Oakland & Tanner, 2007). According to Shin, Taylor, & Seo (2012) two types of resources jointly enable both commitments of employees to the implementation of organizational change. The first resource is organizational inducements, defined as valued outcomes—both intangibly developmental and tangibly materialistic—employees receive from their organization in exchange for the contributions they make to organizational performance and the second source is employee psychological resilience—an individual difference, defined as a “traitlike” (i.e., stable) ability to bounce back from adversity and hardship and to flexibly adapt to shifting demands.

Change capacity, a broader concept than change readiness, requires a much more extensive set of interventions. *Change capacity*—the ability of an organization to change not just once, but as a normal response to changes in its environment. Implementing change should be process centered approach and to make it effective clear allocation of resources and targets with efficient control systems are needed (Oakland & Tanner, 2007).

Research Methodology

Objectives of the Study

- 1) To study the drivers for the change in organizations.
- 2) To explore the effective change management process.
- 3) To determine the outcomes of change in terms of productive and behavioral dimensions.

Sampling Design

The universe for the study constitutes 700 employees working in an IT organization, Hyderabad. The sample size is 102 employees which is drawn using simple random sampling method

Methods of Data Collection

The primary data was collected with the help of a structured questionnaire addressing the objectives of the study. The first part of the questionnaire addresses demographic details and the second part deals with different dimensions of change management. Cronbach's alpha for 21 items in the questionnaire is 0.849 representing higher degree of reliability of the instrument used for the study. The secondary data is collected using journals, web sites, etc.

Research Tools

The data collected is analyzed using statistical tools like correlation and mean.

Limitations of the Study

1. The study is a case study and it is conducted in only one IT organization. As such the results cannot be applied for entire IT industry
2. The reliability of the results depends upon the fairness in the data provided by the respondents.

Scope of the Study

The scope of the study includes factors driving change, the components of effective change management model and the outcomes of effective change management. The geographical coverage of the study encompasses employees in an IT organization, Hyderabad.

Analysis

Factors driving change are classified into two i.e. internal and external. Based on the mean scores of each individual factor, their influence in driving the change is determined. These mean scores are on a scale of 1 to 5 indicating higher the mean score higher the influence and vice-versa.

Table - 1 Factors Influence Change

S. No:	Internal Factors	Mean Scores	External Factors	Mean Scores
1	New organizational goals	3.08	Changes in market conditions	3.23
2	Change in leadership	3.15	Political and Legal changes	3.05
3	New production processes	2.90	Government rules and regulations	2.80
4	Introducing new technology	3.26	Technological changes	3.14
5	Change in Managerial personnel	2.94	Changes in economy	3.21
6	Structural changes of organization	3.10	Changes in customer needs	3.68
7	Resource constraints	2.71		
8	Decline in profitability	2.81		

Table 1 reveals that the major internal factors that drive the organizational changes are introducing new technology, change in leadership, structural changes of organization, new organizational goals which are reflected by relatively higher mean scores compared with other internal factors.

Among the external factors, changes in customer needs constitute the main factor with higher mean score followed by changes in market conditions, changes in economy, technological changes etc and lastly by government rules and regulations.

A comparison of internal and external factors mean scores shows that external factors mean scores are higher than the internal with some exceptions. Thus it can be understood that changes in the organizations are more triggered by the impact of external factors and also from some of the major internal factors.

Effective change management process

Effective change management process has three steps:

1. Prepare for change
2. Build change capacity
3. Implement the change

To ensure that an organization can bring in change effectively, it is vital that it has to thoroughly prepare for change, build change capacity and implement the change smoothly as planned which finally will result in positive outcomes for the organization.

Preparedness to Change

Preparing for change requires identifying and defining change, leaders planning and direction, continuous support from top management, communication, negotiating and training.

Table - 2 Identification of Change

S. No	Level of Identification	Frequency	Percentage
1	Low	12	11.76
2	Medium	21	20.58
3	High	69	67.66
	Total	102	100.00

Organizations should identify change in advance so that they can implement better. Table 2 portrays that 67.66% of respondents expressed that identification of change in advance in the

organization is high, 20.58% opined that it is medium and remaining 11.76% felt to be low.

Table - 3 Leader's Planning and Direction

S. No	Level of Planning	Frequency	Percentage
1	Low	14	13.72
2	Medium	30	29.42
3	High	58	56.86
	Total	102	100.00

In order to reach successful destination, appropriate strategies are important for an organization. Leader's planning and direction makes all this work out and helps in reaching the desired goal. It is observed from table 3 that 56.86% of the respondents expressed

that leader's appropriate planning and direction is high, 29.42% expressed that it is medium and where as remaining 13.72% felt it to be low.

Table - 4 Top management support

S. No	Level of Support	Frequency	Percentage
1	Low	5	4.90
2	Medium	35	34.32
3	High	62	60.78
	Total	102	100

Support from the top management in implementing change is very important. Higher the support from top management better will be the change implementation process. Table 4 shows that top management support in the organization is considered to be

reasonably good indicated by the higher percentage of the respondents opining the same. Only 4.9 % of the respondents consider the top management support to be low.

Table - 5 Communication and negotiation

S. No	Level of Communication	Frequency	Percentage
1	Low	8	7.8
2	Medium	31	30.4
3	High	63	61.8
	Total	102	100

In many cases, employees resist change because they are not properly communicated about the need for change, benefits of the change and the support rendered by the organization to face the change. It is very important that there should be proper

communication between the management and the employees. Table 5 depicts that 61.8% of respondents expressed that the level of communication is high, 30.4% felt that it is medium whereas only 7.8% opined that it is low.

Table -6 Training

S. No	Level of Training	Frequency	Percentage
1	Low	20	19.6
2	Medium	27	26.5
3	High	55	53.9
	Total	102	100

Training helps in getting new skills and also improving the existing skills. An organization should conduct training programs in the process of implementing change. For successful implementation of change, employees need to acquire new skills. From the sample

of 102, 53.9% of the respondents opined that the organization provides high level of training, 26.5% expressed medium and 19.6% said it is low.

Table - 7 Over-all preparedness to change

S. No	Preparedness to change	Frequency	Percentage
1	Low	1	1
2	Medium	30	29.4
3	High	71	69.6
	Total	102	100

Over-all preparedness to change is a prerequisite for successful change implementation. It is observed from table 7 that 69.6% of the respondents expressed that the overall preparedness to change in the organization is high, 29.4% said it is medium and a meager one percent said it is low.

Build Change Capacity

Even though many organizations have plans to adopt change they may not do it in an effective manner because of lack of supportive

infrastructure and facilitative culture. If these two are addressed then they will have high change capacity. Supportive infrastructure should address different aspects like information sharing, encouraging risk-taking, reward for change efforts, and short-term plans improvement and for change facilitative culture, shared purpose, adjustment of strategies, alignment of strategies, articulation of new behaviors, leadership succession, etc are required.

Table - 8 Information sharing

S. No	Level of Information sharing	Frequency	Percentage
1	Low	15	14.7
2	Medium	37	36.3
3	High	50	49
	Total	102	100

Change strategies that are adopted by the top management should be known to the employees. Information sharing should be high in the organizations in the process of implementing change. Table 8

shows that 49% of respondents are accepting that information sharing is high, 36.3% as medium where as 14.7% consider it to be low.

Table - 9 Encourage risk taking

S. No	Level of encouragement in risk taking	Frequency	Percentage
1	Low	12	11.76
2	Medium	34	33.33
3	High	56	54.91
	Total	102	100

Change is dynamic and involves risk. It is quite obvious that risk taking is a part and parcel of change implementation process. In the present study, it is observed that 54.91% consider that the

organization encourages high risk taking, 33.33% consider it to be medium and 11.76% feel it is low.

Table - 10 Reward for change efforts

S. No	Level of giving rewards	Frequency	Percentage
1	Low	11	10.78
2	Medium	42	41.17
3	High	49	48.05
	Total	102	100

Employees should be motivated for the efforts made which will further improve their performance. Organizations should recognize and reward the efforts of the people. This will encourage them to take up the challenge and put more effort in change

implementation. 48.05% of respondents reported that reward for change efforts is high in the organization, 41.17% feel it is medium and 10.78% feel it is low.

Table – 11 Change supportive infrastructure

S. No	Level of Creating shared purpose	Frequency	Percentage
1	Low	1	1
2	Medium	22	21.5
3	High	79	77.5
	Total	102	100

Table 11 reveals that the overall change supportive infrastructure is considered to be high by 77.5% of the respondents which is a

positive sign, 21.5% considered it to be medium and only one per cent considered it to be low.

Table – 12 Shared purpose

S. No	Level of Creating shared purpose	Frequency	Percentage
1	Low	14	13.7
2	Medium	30	29.4
3	High	58	56.9
	Total	102	100

As a part of organizational culture there should be shared purpose among the employees. In the present study , 56.9% of the respondents felt that it is high in their organization, 29.4% opined

that it is medium and 13.7% consider it to be low in their organization.

Table – 13 Adjustment of strategies

S. No	Level of adjusting strategies	Frequency	Percentage
1	Low	10	9.8
2	Medium	26	25.5
3	High	66	64.7
	Total	102	100

Change demands adaptability in the strategies in accordance with the changing requirements. 64.7% of the respondents opined that

the adaptability of strategies is high, 25.5% considered it to be medium and 9.8% as low.

Table - 14 Alignment of strategies

S. No	Level of Alignment of strategies	Frequency	Percentage
1	Low	07	6.8
2	Medium	35	34.3
3	High	60	58.9
	Total	102	100

Organizational policies, systems, structures and practices should align to the change strategy in order to produce better outcomes. Table 14 shows that 58.9% of the respondents expressed that

alignment of strategies with the policies, systems, structures and practices is high, 34.35% opined that it is medium and 6.8% expressed that it is low.

Table - 15 Leadership development

S. No	Level of leadership succession and development	Frequency	Percentage
1	Low	13	12.8
2	Medium	29	28.4
3	High	60	58.8
	Total	102	100

To create a change facilitative culture there should be succession planning and leadership development. 58.8% of the respondents opined that the leadership succession and development in the

organization is high, 28.4% said it is medium and 12.8% said it is low.

Table – 16 Change facilitative culture

S. No	Change facilitative culture	Frequency	Percentage
1	Low	1	1
2	Medium	14	13.7
3	High	87	85.3
	Total	102	100

A noteworthy observation in the present study is that 85.3% of the respondents expressed that change facilitative culture is high,

13.7% expressed it is medium and only one percent felt to be low.

Table – 17 Build change capacity

S. No	Level of Build change capacity	Frequency	Percentage
1	Low	2	1.96
2	Medium	32	31.38
3	High	68	66.66
	Total	102	100

Table 17 shows that 66.66% of the respondents reported that the overall build change capacity is high, 31.38% felt it to be medium and only 1.96% opined that it is low.

department has its own functionality. Change implementation is successful if and only when all departments accept it. Allocation of resources to each department as per the change requirement is very important and control systems in ensuring the correct implementation also plays a vital role.

Change Implementation:

Organizations are combinations of various departments and each

Table – 18 Allocation of resources

S. No	Level of Allocation of resources	Frequency	Percentage
1	Low	14	13.7
2	Medium	18	17.6
3	High	70	68.7
	Total	102	100

Allocation of resources is very important in change implementation. From the total responses of 102, 70 expressed that they have high allocation of resources representing 68.7%, 18 said

it is medium constituting 17.6% and 14 said it is low representing 13.7%.

Table – 19 Control systems

S. No	Level of Control systems	Frequency	Percentage
1	Low	5	4.9
2	Medium	30	29.4
3	High	57	65.7
	Total	102	100

Effective implementation of change in the organization is ensured by good control systems. Majority of the respondents (65.7%) expressed that have good control systems in the organization and

only 4.9% of the respondents said that they do not have good control systems.

Table – 20 Over-all Change implementation status

S. No	Level of change implementation status	Frequency	Percentage
1	Substantial	20	19.6
2	Significant	43	42.2
3	Partial	26	25.5
4	Minimal	7	6.9
5	Non compliance	6	5.8
	Total	102	100

Table 20 reveals that 42.2% of respondents felt that the changes implemented by the organization are significant and 19.6% expressed that they are substantial, 25.5%, as partial, 6.9% as minimal and 5.9% as non compliance.

Change Outcomes: Successful change implementation in an organization leads to competitive advantage through positive

outcomes in both productive and behavioral aspects. In IT industry the productive outcomes are in-time project completion, project quality improvement, efficient service offerings, increase in revenues, etc where as the behavioral outcomes are increase in employee satisfaction, more employee commitment, reduction in employee turnover, high employee engagement, etc.

Table – 21 Productive outcomes

S. No	Productive outcomes	Frequency	Percentage
1	In-time project completion	16	15.1
2	Project quality improvement	30	28.4
3	Efficient service offerings	6	5.6
4	Increase in revenues	20	18.8
5	All the above	34	32.1
	Total	102	100

It is observed from table 20 that the productive outcomes of the change are in-time project completion, project quality improvement, efficient service offerings, increase in revenues and all the above. In this context, 32.1% employees expressed that all productive outcomes are experienced, 28.4% opined that there is

project quality improvement, 18.8% expressed that there is increase in revenues, 15.1% said in-time project completion is possible and 5.6% of the respondents felt that service offerings have improved.

Table – 22 Behavioral outcomes

S. No	Behavioral outcomes	Frequency	Percentage
1	Increase in employee satisfaction	16	15.5
2	More employee commitment	22	21.3
3	Reduction in employee turnover	8	7.8
4	High employee engagement	20	19.4
5	All the above	37	36.0
	Total	102	100

Behavioral outcomes of the change include increase in employee satisfaction, more employee commitment, reduce in employee turnover, high employee engagement and all the above. Table 22 depicts that 36% of the respondents expressed that all behavioral outcomes are experienced by the organization, 21.3% felt that there is more employee commitment, 19.4% opined that employee engagement has increased, 15.5% expressed that

employee satisfaction has increased and 7.8% expressed that employee turnover has reduced.

Effective change management model with correlation values

Correlation between the variables is shown in the model which represents the flow of the process and corresponding linkage with each other.

Figure – 1 Effective change management model

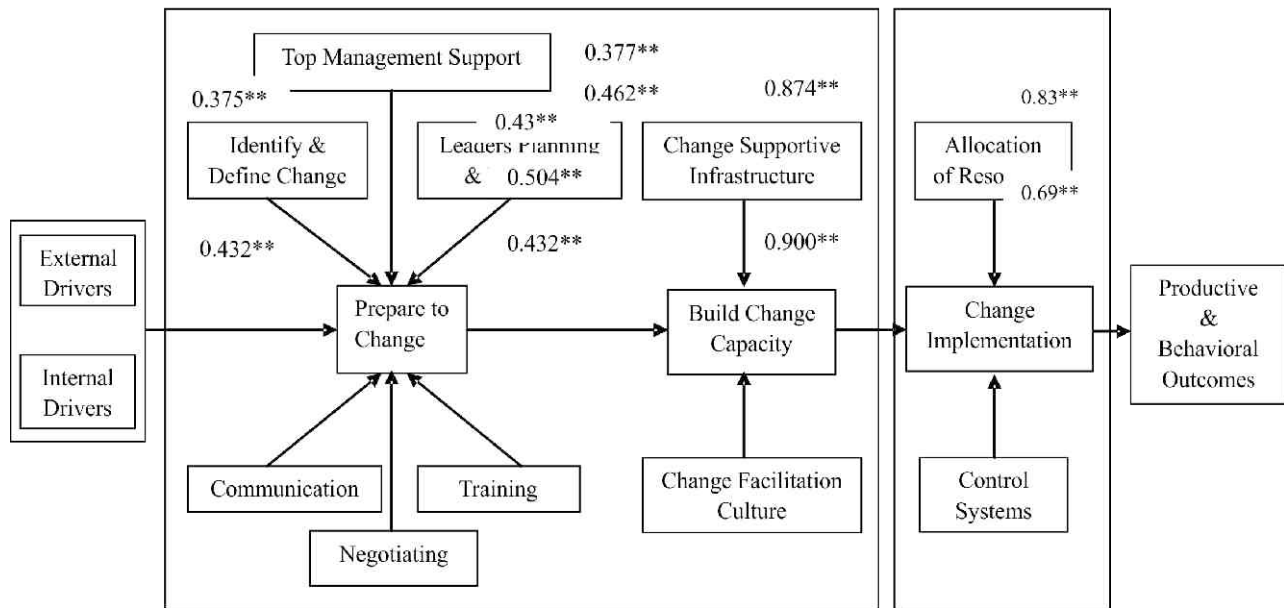


Figure 1 demonstrates relationships between different components of effective change management model. It can be observed that there is positive correlation which is significant at 1% level. It implies that if identifying and defining change, leader's planning and direction, communication, training, negotiation and top management support are good then the organization's preparedness to change is good.

It is also evident that if change supportive infrastructure and change facilitation culture are good, it contributes to building change capacity.

If resource allocation and control systems are good, it will lead to better implementation of change.

If implementation of change is good it leads to productive and

behavioral outcomes.

Scope for Future Research:

The study also can be extended to many organizations as change management is very important in IT organizations. The model may be tested with advanced statistical measures so that study may be enriched.

Conclusion

Change is the essence of life and there is no exception to the organization. The present study revealed that changes are triggered by various external factors and internal factors. We live in a world where the change has become more a rule than an exception but the success rate in implementation is not up to the mark. Smooth

implementation requires various factors to be considered in various stages. The present study emphasized that if an organization prepares for change thoroughly, build change capacity and implements the change smoothly, it can bring both productive and behavioral outcomes for the organization.

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