



**A STUDY ON THE IMPACT OF THE PERSONAL VARIABLES AND
ORGANISATION CHANGE FACTORS ON OVERALL ORGANISATIONAL
CHANGE SCORE WITH REFERENCE TO THE IT AND ITES IN COIMBATORE
DISTRICT**

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ABSTRACT

Organizations undergo a rapid change in recent days. Organizational change is undertaken to improve the performance of the organization or a part of the organization, for example, a process or a team. The ability to manage the change, while continuing to meet the needs of customers, a very important skill is required in today's leaders and managers. In the research 8 major factors which have the impact on the organizational change are considered and the study is conducted among the 100 IT and ITES employees in Coimbatore District. A detailed questionnaire consisting of the External Environment, Leadership, Strategic Directions, Organization structure and task, Management process and communication, Culture, norms and morale, Human resource systems, Employee personal goals and Competencies are prepared and the informations are obtained and analyzed using various statistical tool like t-test ,ANOVA, Correlation, Regression. Since the employees vary greatly in their views and characteristics their personal variables are also taken for the study and the findings and conclusions are given.

Keywords: Organizational change, Performance, Competencies.

INTRODUCTION

Organizational change is the process in which an organization changes its structure, strategies, operational methods, technologies, or organizational culture to affect the change within the organization and the effects of these changes on the organization. The organization change occurs in the various categories like span of control, chain of command, work processes, methods, equipments, attitudes and behavior. The involvement of the staff is very important for the change process to be smooth. Managing the changes in an organization requires a broad set of skills like analytical skills, people skills, system skills, and business skills. The Indian IT & ITES sector is pivotal for the Indian economy. IT and ITES is contributing around 8% to the Indian GDP and it provides the direct employment to 3 million people and indirectly to 9.5 million. According to the Global Service Location Index 2011, India is ranked as the most favorable location for IT & ITES off shoring. The country was

ranked ahead of China, Malaysia, Egypt and other emerging nations based on the three broad criteria-financial attractiveness (3.11%), people skills and availability (2.76%), and business environment (1.14%). Ashok Bakthavatsalam, former chairman of Confederation of the Indian Industry, Coimbatore, says that the Software export from Coimbatore District is expected to touch Rs. 5,000 crores this year. Experts feel that Coimbatore's robust educational infrastructure, shorter time taken for commuting; work-life balance, low employee attrition and high employee satisfaction have resulted in the companies for expanding their presence rapidly in the city.

STATEMENT OF THE PROBLEM

Change is happening in all the organizations. New initiatives are undergone to increase the profit, to improve the performance and to achieve the competitive advantage. Organizational change is not only about increasing the profit and sales of the company it also helps in improving the commitment of the employees and increases the organizational capabilities. The present study focuses on the factors that affect the organizational change, personal variables of the employees in IT and ITES and the overall score of the organizational change. The factors considered to study the impact are the External Environment, Leadership, Strategic Directions, Organization structure and task, Management process and communication, Culture, norms and morale, Human resource systems, Employee personal goals and competencies. Different people perceive organization in the different aspects so the major personal variables like gender, age, educational qualification, experience, designation, income and sector are taken for the study .If the change is not involved the organization will lose their competitive edge and will fail to meet the needs of the loyal customers.

Do the organization change factors is influenced by the personal variables?

Do the organizational change factors have an impact on the organizational performance?

REVIEW OF LITERATURE

Elton Geoffrey Fortuin (2007) in his study on the impact of the large scale organizational change programme on psychological contracts investigated the impact of a large scale organizational change programme on the employee's psychological contracts, using the State Information Agency (SITA). Using a systematic sampling method 400 employees were randomly selected to participate in the survey .The questionnaire were designed as a self administered questionnaire and published on the Intranet to allow respondents to complete the questionnaire online. The statistical tests were conducted. The tests are kruskall –Waliis, ANOVA and Kolmogorov Smirnov. The research showed a significant difference among the social identities with respect to the perception of the employer's obligation, loyalty to the organization, opportunities for the internal advancement, performance of duties beyond the normal scope of work, employment security, intent to leave the organization and job satisfaction. The gap identified in the research was that the change programme was not successfully implemented in the organization and the Organization failed to implement change firmly.

Dr Liz Jonwes , Bernadette Watson, Elizabeth Hobman, and Prashant Bordia in their study Employees perception of Organizational Change examined the influence of the organization

level on employee's perceptions and reactions to a complex organizational change. Participants included executives, supervisory and non supervisory staff in a major tertiary hospital. In-depth interview were conducted with 61 employees about the positive and negative aspects of the change. The study examines the organization change on only one time and point in an organization. Supervisory and non Supervisory staff referred more to conflict and divisions and expressed more negative attitude towards the change, than the executives. The communication about the change and the participation of the employees was not clearly explained to them .Staff members will be positive if they are kept up to date with the changes.

Maria Vakola & Ioannis Nikolaou in their study Attitudes towards organizational change explore the link between attitude of employees towards the organizational change and its relationship with occupational stress and organizational commitment. A total of 292 participants took part in the survey and the research design used for the study is cross sectional research design. The results reveal that highly stressed employees show less commitment to work and show resistance to change. The result did not support organizational commitment as intermediate between attitude to change and occupational stress. Supportive work environment, managing conflicts and effective communication contribute to positive change programme. Increase in workloads also results in less attractiveness to change .The study has failed to explain the step by step process involved in implementing change.

RESEARCH METHODOLOGY

The study aims at analyzing the impact of the personal variables and organizational change factors on the overall organizational change score. The study is conducted in Coimbatore District since it is the largest software producer in Tamil Nadu, next to Chennai. It is ranked as 17th among the global outsourcing cities. The time period taken for the study is 50 days. The study included 100 sample size surveyed in 106 IT & ITES companies. The sampling method used for the study is simple random sampling technique. Descriptive research design is used, both primary and secondary data is used for the study .The primary data is collected with the structured questionnaires and secondary data is collected from the internet, journals, newspapers and books. A detailed questionnaire is prepared based on the collected review of the literature considering 8 criteria's :External Environment, Leadership ,Strategic Directions, Organization structure and task , Management process and communication , Culture, norms and morale, Human resource systems, Employee personal goals and competencies. Scaling technique used in the questionnaire is five-level likert scale: Strongly Disagree, Disagree, neither disagree nor agree, Agree and Strongly Agree (Strongly Disagree-1 and Strongly Agree-5). For testing the reliability of the questionnaire, Chronbach alpha is applied and the value was found to be 0.689. Percentage analysis is used to understand the distribution of the personal variables. Personal variables and organizational change score is analyzed using t-test, ANOVA and Regression .The ratings were assigned to the responses coming under organizational Change. There are 23 statements in Organizational Change. Each statement is measured on a 5-point rating scale as Strongly Agree-5, Agree-4, Neither Agree nor Disagree-3, Disagree-2 and Strongly Disagree-1. The Organizational Change Score is found by adding the ratings of all the 23 statements. If the total is more then there is Strong

Agreement about the Organization Change and if the Value is less Disagreement is more among the employees. The relationship between the organizational change factors and overall organization change score is analyzed using the correlation.

OBJECTIVES

To examine and analyze the effect of the organization change factors on the overall score of the organizational change

To examine the impact of the various personal variables on the overall organization change score

LIMITATIONS

The study is limited to Coimbatore district hence the demographic factors pertaining to Coimbatore would influence the generalizations drawn.

The study is not free from the sampling errors.

The associates were reluctant to give information about the leadership related questions as they might lose their managers confidence.

Respondents tend to show a positive response which influenced the study.

DATA ANALYSIS

Table 1: Table showing the Personal details of the respondents

Personal Variables	Percentage
Gender	
Male	55.0
Female	45.0
Age	
20-25 years	44.0
25-30 years	30.0
30-35 years	20.0
35-40 years	6.0
Educational Qualification	
Graduate	45.0
Post Graduate	55.0
Experience in Present organization	
0-3 Years	53.0
3-6 years	36.0
6-9 years	6.0
Above 9 Years	5.0
Designation	
Manager	13.0
Team Leader	25.0
Associate	62.0
Annual Income	
Below 3 Lakhs	18.0
3L -6L	40.0
6L-9L	24.0
9L-12L	8.0
Above 12 Lakhs	10.0
Sector Employed	
IT	75.0
ITES	25.0

Source: Primary Data

Percentage Analysis-Result & Discussion

From the demographic details it is understood that 55% of the respondents are male and 44% of the respondents belong to the age group of 20-25 years and 6% of the employees belong to the age group of 35-40 years .55% of the respondents has completed the post Graduation with 0-3 years of experience(53%) and 5% of the respondents has a experience of 9 and above years.62% of the employees are associates with the annual income of 3-6 lakhs (40%) and 8% of the employees earn 9-12 lakhs .The study is conducted among the IT and ITES employees and it is found that 75% belong to IT Industry and 25% of the respondents belong to ITES.

Hypothesis

H₀—There is a significant difference between the organizational change scores and gender

H₀—There is a significant difference between the organizational change score and age

H₀—There is a significant difference between the organizational change scores and educational qualification

H₀—There is a significant difference between the organizational change scores and Experience in Present Organization

H₀—There is a significant difference between the organizational change scores and Designation

H₀—There is a significant difference between the organizational change scores and Annual Income

H₀—There is a significant difference between the organizational change scores and Sector Employed

Table 2: Table showing the Comparison of Organizational Change Scores by the Personal Variables

Variables	Groups	Mean	S.D	No	t-value	F-value	Significance
Gender	Male	83.75	10.42	55	1.392	-----	Ns
	Female	86.56	9.57	45			
Age	20-25 years	86.93	10.55	44	-----	2.366	Ns
	25-30 years	85.43	8.92	30			
	30-35 years	79.90	10.20	20			
	35-40 years	85.83	7.99	6			
Educational Qualification	Graduate	81.60	10.12	45	3.195	-----	**
	Post Graduate	87.80	9.25	55			
Experience in Present Organization	0-3 Years	86.40	9.84	53	-----	2.220	Ns
	3-6 years	84.97	9.92	36			
	6-9 years	76.00	11.92	6			
	Above 9 Years	81.40	7.77	5			
Designation	Manager	83.38	8.26	13	-----	3.540	*
	Team Leader	80.96	9.20	25			
	Associate	86.98	10.36	62			
Annual Income	Below 3 Lakhs	81.94	8.99	18	-----	0.987	Ns
	3L -6L	86.70	10.50	40			
	6L-9L	86.00	10.71	24			
	9L-12L	81.75	8.99	8			
	Above 12 Lakhs	84.00	9.44	10			
Sector Employed	IT	87.37	9.23	75	0.987	-----	**
	ITES	77.92	9.36	25			

Source: Primary Data; *- Significant at 5% level; **- Significant at 1% level; Ns- Not Significant

RESULTS & DISCUSSION

From the above table it is understood that the organizational change scores are compared with the personal variables (Gender, Age, Educational Qualification, Experience in Present Organization, Designation, Annual Income, Sector Employed). The t-test is performed for the personal variables Gender, Educational Qualification and Sector Employed. The values infer that the organization change score and gender has a t-value of 1.392 and hence there is no significant difference. The Organizational Change score and the educational qualification are significantly different with each other with a t-value of 3.195 and they are significant at 1% level. Organizational change score and sector employed have significant difference at 1% level with a t-value of 0.987. ANOVA has been done for organizational change score and Age, Experience in present organization, Designation and Annual Income. Organizational change score and age has F-value of 2.366 which does not have significant difference with each other. Experience does not have significant relationship with organizational change score and the designation of the employees has significant difference with the organizational change score at 5% significant level with F-value of 3.540. Organizational change score and annual income does not have significant difference among them.

The following tables (Table 3A & 3B) represents the Contribution of organizational change factors to organizational change score

Table 3(A): Descriptive Statistics of Organizational Change

	N	Minimum	Maximum	Mean	Std. Deviation
ORGANISATIONAL CHANGE SCORE	100	61.00	115.00	85.0100	10.09200
External environment	100	4.00	10.00	7.3800	1.32406
Leadership	100	2.00	10.00	7.2500	1.69595
Strategic direction	100	2.00	5.00	3.7200	0.72586
Organization structure and task	100	5.00	15.00	11.1400	1.94894
Management process and communication	100	8.00	20.00	14.7100	2.48752
Culture, norms and morale	100	5.00	15.00	11.2400	1.63991
Human resource systems	100	2.00	10.00	7.4200	1.34975
Employee personal goals and competencies	100	11.00	30.00	22.1500	3.28257

Source: Primary Data

Result & Discussion

From the above table it is understood that the overall organization mean score is 85.0100 with the minimum value of 61 and maximum value of 115. The organization change factors have a minimum value of 2.00 and maximum of 30.00. Employee personal goals and competencies have a highest mean of 22.1500 with minimum value of 11 and maximum value of 30. The factor that has lowest mean is strategic direction with a mean value of 3.7200 with a minimum value of 2.00 and maximum value of 5.00. The second factor with the highest mean is management process and communication with a mean value of 14.7100. External environment, leadership and human resource systems have mean values of 7.3800, 7.2500 and 7.4200 respectively.

Table 3 (B): Table Showing the Correlation Value

Organization Change Factors	Organizational Change Score
External environment	0.685**
Leadership	0.793**
Strategic direction	0.480**
Organization structure and task	0.575**
Management process and communication	0.762**
Culture, norms and morale	0.625**
Human resource systems	0.647**
Employee personal goals and competencies	0.785**

Source: Primary Data; **-- Correlation is significant at the 0.01 level.

Correlation: Result & Discussion

Correlation is found between the factors of organizational change and overall organizational change score to identify the factors which contribute more to the overall organizational change. The factors which have the highest correlation are contributing more to the organizational change. The correlation results show that the highest contributing factor is leadership which has the highest correlation of 0.793 with the organizational change. The next highest correlation is 0.785 between Employee's personal goals and Competencies and organizational change. The third most contributing variable is the management process and communication with the correlation value of 0.762. Strategic direction is having a lesser correlation of 0.480 compared to the other factors. All the factors are significantly correlated with the overall organizational change at 1% level.

Table 4: Regression Analysis of Organizational Change

	Regression Coefficients (B)	Std. Error	Beta	t	Sig.
(Constant)	88.190	5.703			
Gender	1.852	1.824	.092	1.015	Ns
Age	-.473	1.130	-.044	-.419	Ns
Educational Qualification	4.545	1.888	.225	2.408	*
Experience in Present Organization	-2.637	1.419	-.212	-1.859	Ns
Annual Income	.497	1.009	.058	.492	Ns
Sector Employed	-7.179	2.295	-.310	-3.128	**

R	R Square	F	Sig.
.509	.259	5.420	**

Source: Primary Data; *- Significant at 5% level; **-- Significant at 1% level; Ns- Not Significant

Regression: Result & Discussion

Regression analysis is conducted to find the effects of the several personal variables on the level of agreeability of the organizational change. Overall change score is considered as the dependent variable .The regression results are given below .It is seen from the regression table that the education and annual income have positive effects on the organizational change score which means higher level of education or income will increase the agreement on the organizational change .Age and experience in the present organization are having a negative regression co efficient (i.e.) the respondents in the higher age group or in the higher

experience group will have lesser agreement level on the organizational change. Gender and sector employed 2 dummy variables, (Coded as 0-Male, 1-Female; 0-IT, 1-ITES) show an average value that the females have more agreeability on the organizational change compared to the males. But the respondents in the IT sector have less agreeability on the organizational change compared to the ITES sector. Multiple correlation coefficient (R) shows that there is a moderate correlation between the set of all independent variables and the dependent variable organizational change. The F value (5.420) indicates that the correlation is significant at 1% level. The R^2 value (0.259) shows that 25.9% variation in the organizational change is explained by the set of all independent variables taken together. The results show that the education and sector employed influence the organizational change score significantly at 5% and 1% level respectively.

Beta values (standardized regression coefficient) show us which variable is contributing more to the organizational change. Since these variables were standardized which are free from the units of measurement and hence comparable. From the beta values it is seen that the sector employed has more effect on the organizational change compared to the other variables in the absolute terms. The least effective variable on the organizational change is the age. Next to the sector employed education affects more on the organizational change.

FINDINGS

From the t-test and ANOVA it is found that the Gender, Age, Experience in the present organization and the annual income have no significant difference with the organization change score. Hence the null hypothesis is accepted. Educational Qualification and Sector employed have significant difference with the organization change scores at 1% significant level. Designations of the employees have significant difference with the organization change scores at 5% significant level. Hence the alternative hypothesis is accepted. Descriptive statistics results show that the employee's personal goals and competencies have the highest mean of 22.1500 and they contribute more for the organization change score and strategic directions has the lowest mean of 3.7200 among all the factors and hence the contribution is less. The correlation result reveals that the organization change factors have positive correlation with the organization change score at 1% significant level. Leadership has the highest correlation of 0.793 and the strategic directions have the least correlation of 0.480. From the regression analysis it is found that the Gender, Age, Experience in Present Organization and Annual Income do not influence the organization change score and education qualification and sector employed influence organization change score at 5% and 1% level respectively.

SUGGESTIONS

The strategic directions within an organization have to be improved for the success of the organization change. It is the course of the actions which helps to achieve the goals with the help of the strategy. A strategy is generally formulated by the top management people. According to the Economist Intelligence Unit many times the senior management people (as it contributes to 72 % according to PMI's Pulse of the Profession In-Depth Report) fail to implement a proper way hence a clearly defined milestone has to be developed and the commitment towards achieving the change has to be clearly communicated among all the

levels of the employees in the organization. The Leaders should champion the change effort and demonstrate their commitment to it. *According to McKinsey report Winning Hearts and Minds: The Secrets of Sustaining Change:* Change initiatives and its outcomes has to be clearly defined to the employees as they contribute 58 % of the total success hence most of their personal goals should be aligned with the organizational goals. Another survey conducted by Eagle Hill's found that 2% of the executives said they were committed to the change but only 66% of the employees agreed that was true. The projects that has been done in an organization should have a standardized procedures related to the duration of the projects, reporting methodology, review process, delegation of work and individual member roles in execution of the project.

FURTHER SCOPE OF THE STUDY

It will be interesting if study in the same area is conducted in other industries so more integrated results can be obtained. The present study is conducted among the technical staff hence other department staff can be involved in the study. The study is conducted only in Coimbatore district .So it can be done in other districts and other states and a comparison can be done to obtain varied results which will help the human resource department in the recruitment and selection process. The current study focuses on the organization change factors which is extended to the other areas of change like managing change, employee's resistance to change etc.

CONCLUSION

According to Towers Watson Survey only 25% of the change initiatives succeed in the long term, A 2009 study indicates that Productivity improved only to 21% of cases , 40% of the employees lost motivation after layoffs and 41% of the employees lost respect for their employer. A proper alignment of the factors like leadership, strategic directions and human resource practices is necessary for the change to be successful which in turn increases the overall organization change. Some organizations opt to change to take advantage of new growth and opportunities; other organizations are forced quickly to change in order to survive and remain competitive. Hence both the external and internal factors have to be considered before changing the process in the organization.

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