

## **A Behavioural Study of Resistance to Organisational Change and Transformation**

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Organisational change and transformation have become the most common themes of discussion in the business forums now-a-days. An organisation has to embark upon the change program due to the environmental shifts confronting the organisations. The environmental shifts may be of diverse kinds ranging from shifts in technology, resource availability, suppliers, markets, and policies of Government to changes in the regulatory framework. Change in an organisation is an ongoing process, and may range from an incremental and minor shift to a revolutionary shift in the systems, procedures, policies and processes. Small and minor changes may be order of life for an organisation, and can happen slowly over a period of time without any long-term vision and planning by the organisation. Such changes don't confront with the core values, customs, systems or procedures of the organisation. On the other hand, revolutionary shifts are big-scale, fundamental, drastic and planned. The revolutionary shift experienced by an organisation, also referred to as organisational transformation, is complete overhaul of the organisation through restructuring and reengineering and may affect all the sub-systems, procedures, values, customs, etc. of the organisation. Organisational transformation has to be supported by radical changes in mindset, working style, behaviour, performance and capabilities of the employees of the organisation.

Any form of change, especially when it is planned transformation in an organisation is doubted to an extent by the workforce of the organisation. Such doubts are generally more prominent and intense if there is lack of communication to employees regarding changes and transformations underway in the organisation. The workforce of the organisation has a natural tendency to get into the comfort zone and resist anything that may disturb the status-quo. Human beings tend to reject a change or transformation, if this transformation demands them to change in terms of their work habits. Further, if a change or transformation has the potential to instill fear amongst employees regarding their job security, growth potential, capabilities, etc.; such change is bound to be resisted by the employees. In a study of 288 companies who shared lessons and best practices in change management, Tim Creasey found that the top obstacle to change was employee resistance at all levels (Haslam *et al.*, 2004). Two types of employee resistance may crop up when an organisation attempts to change. These are the attitudinal and behavioural resistance (Kristin, 2000). It has to be noted that success in organisational change and transformation isn't possible without changing the people throughout the organisation. An employee's resistance to change and transformation has grave implications for the success of transformation program earmarked by the organisation. Hence, it is of utmost importance to examine resistance to any form of organisational change and transformation. The present study that has been undertaken in the State of Punjab and the Union Territory of Chandigarh seeks to examine this aspect in case of organisational change and transformation. The employees of various organisations have been approached for the purpose. An attempt has also been made to understand awareness of employees regarding the concept of organisational transformation. Further, the study endeavours to examine changes and transformations being seen by companies in manufacturing and service-sector. The study also attempts to give suggestions to effectively implement changes and transformations in the organisation in face of the resistance from employees.

### **Research Objectives**

Given below are the specific objectives of the present study:

- 1) To understand awareness regarding concept of organisational transformation
- 2) To examine the changes and transformations being experienced by companies in manufacturing and service-sector
- 3) To ascertain resistance of respondents towards organisational change and transformation
- 4) To seek suggestions to effectively implement organisational change and transformation

### **Literature Review**

Organisations operate within an increasingly volatile environment, and are in a state of constant change. The pressure to change stems from a variety of internal and external sources such as political, economic, social and technological factors (Boojihawon and Segal-Horn, 2006). Leana and Barry (2000) posits that organisational change is aimed at adapting to the environment, improvement in performance and changes in employees behavioural patterns at the work place. According to Lewin (1951), change is derived from two forces, those internally driven from a person's own needs, and those imposed or induced by the environment. He revealed that change occurs in three steps; unfreezing, moving, and refreezing. The unfreezing step consists of the process of getting people to accept the change. Moving involves getting people to accept the new, desired state; while refreezing, aims at making the new practices and behaviours a permanent part of the operation or role after the process of implementation has ended. In order to achieve organisational change and to break the state of inertia, change managers and agents should strive to achieve the state of refreezing.

The notion of resistance to change is credited to Kurt Lewin who discussed it first in 1940's. His early work focused on the aspects of individual behaviour that must be addressed in order to bring about effective organisational change. Resistance to change is defined as employees' behaviour that seeks to challenge, or disrupt the prevailing assumptions, discourses, and power relations (Folger and Skarlicki 1999). Herscovitch (2003) also gave a work-related definition of resistance to change as employee action or inaction that is intended to avoid a change and/or interfere with the successful implementation of a change in its current form. Oreg (2006) has defined resistance to change as a tri-dimensional (negative) attitude towards change, which includes affective, behavioural, and cognitive components. This definition implies that almost any unfavourable reaction, opposition, or force that prevents or inhibits change, is resistance. The first research regarding resistance to change titled "Overcoming Resistance to Change" is based on a study conducted by Coch and French (1948) at Harwood Manufacturing Co. in Virginia. Their research was generally on the importance of employee participation in decision making. The authors claimed that resistance to change is a combination of an individual reaction to frustration with strong group-induced forces. Bovey and Hede (2001) have cited numerous studies that indicate resistance to change as the most common problem faced by management in implementing change.

Various studies have identified participation in decision-making, motivation, communication, information exchange and knowledge and trust as some of the factors that influence resistance to change in organisations. Coch and French (1948) have emphasised participation of employees as the primary method to overcome resistance to change. Participation of employees in organisational context is defined as the active involvement of employees and management in the decision-making process of an organisation (Chirico and Salvato, 2008). Manville and Oberg (2003) have stressed that participation is a means by which employees are given a voice to express themselves. This style of management affords employees the

opportunity to gain some control over important decisions and promote ownership of plans for change. According to McNabb and Sepic (1995), employees must believe that their opinions have been heard, and given respect and careful consideration. Motivation is generally believed as a driving force that initiates and directs behaviour. It influences resistance to change and transformation. Kotter (1996) stated that motivation comprises set of independent or dependent variables relationships that explain the direction, amplitude and persistence of an individual's behaviour. Daniel (2009) has suggested that self-motivation or personal drive is the core predictor of on-the-job performance. When workers are motivated, it might lead to less resistance towards the implementation of organisational change. According to Kitchen and Daly (2002) communication is very vital in successful implementation of the change processes. Communication has been cited as an important tool for announcing, explaining and preparing the change.

The literature of change management and resistance to change reveals various solutions for overcoming resistance to change. These have been proposed by different authors and collectively expressed in different words like participation, communication, job security, sense of urgency, empowerment, crafting an implementation plan, and training (Coch and French, 1948; Kotter and Schlesinger, 1979; Mabinet *al.*, 2001; Chawla and Kelloway, 2004). Also these solutions/measures are very helpful in resolving the procedural conflict between individuals and firm. For example, training can make individuals learn and follow the right procedures and practices proposed by the firm. Coercion and Compulsion have also been suggested but Kotter and Schlesinger (1979) have stressed that these approaches are not useful in the current scenario. Kotter (1995) posited eight steps to transform an organisation: (1) develop a sense of urgency, (2) form a guiding coalition creating sufficient power to lead the effort, (3) create a vision, (4) communicate the vision whenever and wherever possible, (5) empower others to act on the vision, (6) plan and create short term wins, (7) consolidate improvements and move for more change, and (8) institutionalise the new approaches. Schein (2002) has suggested a procedure to envision a possible change that broadens Kotter's model. He suggested questions of "Why change?" should be asked challenging need, possibility, and motivation for change. He further emphasised an identification of the desired future state of the organisation, and checking availability of information that could support a rationale for change so that resistance may not be triggered.

### **Research Methodology**

The scope of the present study is restricted to examining resistance to transformation in business organisations. In order to sustain and grow, no organisation can afford to avoid change and transformation. In the process of transformation, the resistance of employees has grave implications for an organisation. Hence, it is a very important factor to be considered and examined during organisational transformation program. The universe of the study consists of the employees working in various manufacturing and service organisations in the major cities of the State of Punjab, and the Union Territory of Chandigarh in north India. The cities of Punjab that were selected include Ludhiana, Amritsar, and Mohali. These are some of the most prominent cities of Punjab. Chandigarh, although a Union Territory, is also the state capital of Punjab. Chandigarh is a modern city and is home to people from diverse cross-sections of the society. Many of the organisations have their regional control offices in Chandigarh only.

For the purpose of generating a sample, the population consists of all the employees working in various manufacturing and service organisations and having a total work experience of at least three years. A sample of 400 respondents comprising of 80-100 employees from each of

the cities of the State of Punjab and Union Territory of Chandigarh was selected with the help of convenience sampling. Survey method using personal interview was adopted for collection of the data. Pre-tested, structured and non-disguised questionnaires were used as instruments for this purpose. For the purpose of data collection from the employees, the offices of various companies have been personally visited in order to contact the respondents. In certain cases, the employees have also been approached after getting their address details through contacts available with the companies. All the respondents have been approached personally and through contacts by the researchers to administer questionnaires.

**Table 1 Demographic Profile of Respondents**

**N=348**

<b>Profile Characteristics</b>	<b>Categories</b>	<b>Number of Respondents</b>	
<b>Sex</b>	Male	212	(60.92)
	Female	136	(39.08)
<b>Age (in years)</b>	20- 30	59	(16.95)
	30- 40	96	(27.59)
	40- 50	88	(25.29)
	50- 60	79	(22.70)
	60 or more	26	(7.47)
	<b>Monthly Income (inRs.)</b>	Less than 20,000	72
	20,000- 30,000	68	(19.54)
	30,000- 40,000	62	(17.82)
	40,000 or more	59	(16.95)
	Did not respond	87	(25.00)
<b>Education</b>	Matriculation	19	(5.46)
	Under graduation	29	(8.33)
	Graduation	126	(36.21)
	Post graduation	92	(26.44)
	Professional Qualification	82	(23.56)
<b>Marital Status</b>	Married	289	(83.05)
	Unmarried	59	(16.95)

After scrutiny of the filled questionnaires, 348 were found to be fit for analysis; others were incomplete or lacked seriousness in response, and hence weeded out. Out of 348, most of the respondents (27.30%) belonged to Chandigarh, followed by Ludhiana (25.57%), Mohali (24.42%), and Amritsar (22.71%), in that order. The manufacturing organisations included organisations from industries like heavy engineering, steel, cycle, textiles, paints, pharmaceuticals, automobiles, paper, chemical, etc. In case of service- sector, organisations in the area of banking, insurance, mutual funds, airlines, hospitality, beauty care, education,

medical, information technology, etc. were included. In order to give representation to organisations from diverse areas, not more than 3 to 4 employees per organisation were chosen as sample. Out of a sample of 348 respondents, as many as 151 (43.39 %) respondents were employed in manufacturing-sector, whereas 197 (56.61%) were working in service-sector. Further, an effort has also been made to ensure that respondents are representative of the various demographic characteristics. Demographic Profile of respondents is given in Table -1.

The table reveals that majority of the respondents (60.92%) are males. Only 39.08 per cent are females. Further, most of the respondents (27.59%) are in the age group 30-40 years, followed by age groups of 40-50 years (25.29%), 50-60 years (22.70%), 20-30 years (16.95%) and 60 years or more (7.47%), in that order. As regards income level of respondents, 25 per cent of the respondents have not revealed their income level. Most of the respondents (20.69%) belong to the monthly income group of less than Rs. 20,000, followed by monthly income groups of Rs. 20,000-30,000 (19.54%), Rs. 30,000-40,000 (17.82%) and Rs. 40,000 or more (16.95%), in that order. As far as education level is concerned, most of the respondents (36.21%) are graduates, followed by postgraduates (26.44%). As many as 23.56 per cent have got professional qualification. Only 8.33 per cent and 5.46 per cent are undergraduates and matriculates respectively. Further, the table indicates that majority of the respondents are married (83.05%). Only 16.95 per cent are unmarried.

For the purpose of data analysis, percentages, mean scores, cross-tabulation, t-test and factor analysis have been used.

### **Results and Discussion**

It has been revealed that there is not significant awareness regarding the concept of organisational transformation. In general, most of the respondents were not able to discriminate between the slow and small incremental organisational changes, and radical and planned organisational transformations. Only 69 respondents (19.83%) out of 348 could specify and recognise the difference between change and transformation.

### **Industry-based Changes and Transformations**

An attempt has been made to examine the specific transformations and changes being seen by various industries. For the purpose, respondents have been asked to specify the extent to which they have seen various organisational changes and transformations on a five-point scale varying from 1 to 5 (1= nil, 2= to a small extent, 3= to a medium extent, 4= to a large extent, 5= to a very large extent). Mean scores have been calculated. In order to examine differences in the changes and transformations being experienced by manufacturing and service-sector, t-test at 5 per cent level of significance has been used. The responses received are presented in Table 2.

The table shows that major organisational changes/ transformations being experienced 'to a large extent' are:

1. Computerisation and adoption of web-based technologies (m.s.= 4.24)
2. Female participation increasing at workplace (m.s.= 3.99)
3. Adoption of TQM/ ISO certifications (m.s.= 3.88)
4. Diversity of work force from different states / countries (m.s.= 3.77)
5. Adoption of new technologies (m.s.= 3.69)



**Table 2 : Changes and Transformations in Organisations**

<b>Changes and Transformations</b>	<b>Overall Sample (N=348)</b>	<b>Manufacturing - Sector (N=151)</b>	<b>Service-Sector (N=197)</b>	<b>t-test values</b>
Computerisation and adoption of web-based technologies	4.24	4.42	4.25	0.21
Diversity of work force from different states / countries	3.77	3.53	3.95	3.32*
Female participation increasing at workplace	3.99	3.67	4.23	4.85*
Work force not permanent but associated with more than one organisation	2.93	2.11	3.56	6.54*
Option of working from home	2.30	1.23	3.12	8.95*
Layoffs	3.24	3.14	3.32	0.44
Internationalisation of the organisation	2.28	2.11	2.41	1.83*
Adoption of TQM/ ISO certifications	3.88	3.97	3.81	0.37
Acquisitions	1.82	1.91	1.75	0.28
Introduction of new products/ brands	3.05	3.11	3.76	6.89*
Divesting the existing products/ brands	2.68	1.92	3.27	9.12*
R&D investment	3.04	3.11	2.98	0.11
Adoption of new technologies	3.69	3.71	3.67	0.07

*\*Significant at 5% level*

Sector-wise analysis reveals that respondents from both manufacturing and service-sector have experienced all the above changes and transformations 'to a large extent'. The t-test values confirm that statistically, manufacturing and service-sector organisations differ significantly at 5 per cent level as far as extent of following changes and transformations being experienced by them are concerned: diversity of work force from different states/ countries, female participation increasing at workplace. Female participation has been reported relatively more in case of service-sector as compared to manufacturing-sector. In case of rest of the changes being experienced by the industry 'to a large extent', there is no significant difference between the two groups of organisations.

Some changes and transformations have been reported to be experienced by the industry 'to a medium extent'. Table-2 reveals that these changes/ transformations include: layoffs (m.s.= 3.24), introduction to new products/ brands (m.s.=3.05), R&D investment (m.s.= 3.04), work force not permanent but associated with more than one organisation (m.s.= 2.93), and divesting the existing products/ brands (m.s.= 2.68). However, it is to be noted that organisational changes and transformations like work force not permanent but associated with more than one organisation (m.s.= 2.11), and divesting the existing products/ brands (m.s.=1.92) are the changes and transformations that are being seen by manufacturing-sector 'to a small extent'. However, service-sector is experiencing them relatively more and 'to a medium extent'. The t-test values also confirm that statistically, the two groups of organisations differ significantly at 5 per cent level in respect of only these two changes/

transformations, which otherwise are being experienced 'to a medium extent' by the total industry. However, in case of rest of the changes and transformations being seen by the industry 'to a medium extent', there is no statistically significant difference between the two groups of organisations.

Table-2 further reveals that changes and transformations like option of working from home (m.s.= 2.30), internationalisation of the organisation (m.s.= 2.28) and acquisitions (m.s.= 1.82) are being experienced by the industry 'to a small extent'. However statistically, organisations in manufacturing and service -sector are significantly different at 5 per cent level in respect of option of working from home and internationalisation of the organisation. Service-sector is experiencing them relatively more. However, there is no significant difference in case of acquisitions for the two groups of organisations.

### **Resistance to Organisational Change and Transformation**

Ascertaining resistance to change and transformation has been the major endeavour of the present study. In order to examine responses of employees in this respect, resistance to change and transformation scale was developed by taking several items for the study. The items were chosen on the basis of existing literature and after discussion with professionals in the area of Human Resource. Effort has been made to include statements to reflect emotions and actions of the respondents in the event of organisational change and transformation.

Further, statements have been included to show perception of respondents regarding benefits of organisational change and transformation. A 5-point likert scale varying from 1 to 5 (1= strongly disagree, 2= disagree, 3= indifferent, 4= agree, 5= strongly agree) has been administered to the respondents, and they were requested to give their level of agreement to various chosen item concerning resistance to change/ transformation. In order to examine reliability, Cronbach's alpha has been found. The value of Cronbach's alpha has been found to be 0.883. Nunnally (1978) has indicated 0.7 to be an acceptable reliability coefficient. Thus, the scale used to examine change and transformation may be believed to be reliable. The responses are enlisted in Table-3.

Table-3 indicates that respondents were close to indifferent towards intrinsic feelings like being worried (statement # 1, m.s.= 3.08), excited (statement # 4, m.s.=3.14), angry (statement # 5, m.s.=3.05) and sad (statement# 6, m.s.= 3.22) in the event of organisational change and transformation. However, mean score being more than 3 indicates that relatively more number of respondents felt that they organisational change and transformation may make them worried, excited, angry and sad. It has also been found that respondents almost agreed that organisational change and transformation would pressurise (statement # 2, m.s.= 3.98) and stress (statement # 3, m.s.= 3.83) them. Further, the table reveals that most of the respondents agreed to the fact organisational change and transformation is not necessary if things are working smoothly (statement # 7, m.s.=3.59), and there is apprehension for change if reason for the same is not clear (statement # 8, m.s.=3.72). The findings also show that respondents are close to indifferent in respect of perception regarding usefulness of the process of change (statement # 9, m.s.= 3.26), and benefits of the results of change and transformation (statement # 10, m.s.= 3.19) to organisation and stakeholders. However, mean score more than 3 here indicates that relatively more number of respondents agreed that process of change and transformation, and results of change may be of benefit to the organisation and stakeholders.

**Table-3 : Mean Scores for Resistance to Change and Transformation**

State ment No.	Statements	Mean Score	Level of Agreement
1.	I am worried about how things will turn out after the change.	3.08	Indifferent
2.	I feel pressurised by all the things that might have to be done because of the change.	3.98	<b>Agree</b>
3.	I feel stress when I think of change	3.83	<b>Agree</b>
4.	I am excited about the change.	3.14	Indifferent
5.	Thinking about change makes me kind of angry	3.05	Indifferent
6.	I feel sad whenever I am to face any change at my work place.	3.22	Indifferent
7.	I fail to understand why change is necessary if things are working smoothly.	3.59	<b>Agree</b>
8.	I am generally apprehensive for change if I fail to understand the reason for it	3.72	<b>Agree</b>
9.	I think process of change is generally useful for the organisation and stakeholders.	3.26	Indifferent
10.	The result of change is generally beneficial for the organisation and stakeholders.	3.19	Indifferent
11.	If my work place is not same as it is today, I may like to shift to some other organisation.	3.12	Indifferent
12.	I might have a tendency to skip office if my work place, and systems and procedures change	2.89	Indifferent
13.	Change generally distracts me.	3.53	<b>Agree</b>
14.	I have a feeling that I may not be productive and efficient if my work environment changes.	3.53	<b>Agree</b>
15.	In the event of change, I may get demotivated and may not work the way I am working now	3.62	<b>Agree</b>
16.	The change may make me less tolerant towards others	2.89	Indifferent
17.	I fear my relationship with my co-workers may not be influenced by change	2.63	Indifferent

The respondents were close to indifferent to shift to other organisation (statement # 11, m.s.= 3.12) or skip office (statement # 12, m.s.= 2.89) in the event of organisational change and transformation. It is also seen that respondents almost agreed they would be distracted (statement #13, m.s.= 3.53), less productive and efficient (statement # 14, m.s.= 3.53) and demotivated (statement # 15, m.s.= 3.62) in the event of change and transformation. Further, respondents were indifferent to the statement that they may become less tolerant towards others if change happens (statement # 16, m.s.= 2.89), or their relationship with their co-workers may not be influenced by change (statement # 17, m.s.= 2.63). Mean scores being less than 3 here indicate that relatively more number of respondents felt that change and transformation would not negatively affect their relationship with co-workers at the work-place.

#### **Factor Analysis to Extract Resistance to Change and Transformation**

Factor Analysis has been applied to extract factors that may explain resistance to organisational change and transformation. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy has been calculated as 0.767 which is greater than 0.50. The chi-square characteristic for Bartlett's test of sphericity has been found as 1684.036 with 136 degree of



freedom, which is significant at 5 per cent level of significance. Hence, factor analysis may be considered as an appropriate technique for the chosen sample and given data. An exploratory factor analysis has been conducted on the data using principle components analysis with varimax rotation. After successive deletion of items that either did not load significantly on any factor, or loaded highly on more than one factor, a four-factor solution was obtained. These factors have been determined on the basis of obtained scree plot, eigen values and theoretical meaningfulness of the factors. Table- 4 and 5 gives results of factor analysis. Factor analysis has revealed four factors. The four factors extracted have a total contribution of 75.433% to item variance. The factors extracted are detailed below:

**Factor 1: Resistance due to Performance and Capability Fears.**

The first factor explains almost 34.50 per cent of variance. Rotated factor loadings as per Table 5 indicates that nine variable represented by statement # 1 (worry), 3 (stress), 11 (shift to some other organisation), 12 (tendency to skip office), 13 (distraction), 14 (loss of productivity and efficiency), 15 (demotivation), 16 (less tolerance towards others) and 17 (relationship with co-workers) correlate highly with Factor1 and load on it. Therefore, this factor may be labelled as resistance due to performance and capability fears.

**Factor 2: Resistance due to Comfort with present state of Affairs**

The second factor explains 15.84 per cent of variance. Table 5 containing rotated factor loadings reveal that Factor F2 have high coefficients for four variables represented by statement # 2 (pressure), 5 (anger) and 6 (sadness), and a negative coefficient for statement 4 (excitement). This factor may be labelled as resistance due to comfort with the present state of affairs.

**Table 4: Total Variance Explained**

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.231	42.533	42.533	5.865	34.500	34.500
2	2.550	15.001	57.535	2.694	15.848	50.348
3	1.937	11.397	68.931	2.195	12.914	63.262
4	1.105	6.502	75.433	2.069	12.171	75.433
5	.820	4.826	80.259			
6	.728	4.280	84.539			
7	.489	2.874	87.413			
8	.437	2.573	89.986			
9	.377	2.218	92.204			
10	.351	2.067	94.271			
11	.248	1.461	95.732			
12	.216	1.269	97.000			
13	.190	1.118	98.118			
14	.132	.775	98.893			
15	.095	.561	99.455			
16	.051	.299	99.754			
17	.042	.246	100.000			

**Factor 3: Resistance due to Failure to understand Rationale for Change and Transformation**

Variance of 12.91 percent is explained by third factor. It can be seen that Factor 3 is loaded by two variables represented by statement # 7 (change not required) and 8 (apprehension due to failure to understand reason for change). Thus, Factor 3 may be labeled as resistance due to failure to understand rationale for change and transformation.

**Factor 4: Resistance due to Apprehensions regarding Outcome of Change and Transformation**

The fourth factor has been found to explain 12.17 per cent of variance. Rotated factor loading as per Table 5 reveal that Factor 4 have high coefficients for two variables represented by statement # 9 (usefulness of change process) and 10 (benefits after change). Hence, this factor may be labelled as resistance due to apprehensions regarding outcome of change and transformation.

**Table 5: Rotated Component Matrix**

	Component			
	1	2	3	4
V1	0.556	-0.232	-0.219	0.306
V2	0.134	0.728	0.392	0.139
V3	0.648	-0.042	-0.191	0.346
V4	0.386	-0.747	0.050	0.270
V5	-0.111	0.787	0.232	-0.197
V6	-0.087	0.854	-0.153	-0.089
V7	-0.181	0.137	0.858	0.233
V8	-0.027	0.054	0.894	-0.154
V9	0.183	-0.139	0.121	0.819
V10	0.483	-0.268	-0.041	0.681
V11	0.721	-0.056	0.224	0.304
V12	0.823	0.056	0.126	0.236
V13	0.828	-0.113	0.179	0.097
V14	0.754	-0.029	-0.273	0.423
V15	0.889	-0.172	-0.157	-0.025
V16	0.772	-0.014	-0.297	0.392
V17	0.901	-0.198	-0.202	-0.120
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalisation.				
a. Rotation converged in 6 iterations.				

### **Suggestions to effectively implement Organisational Changes and Transformations**

The respondents have been asked to give suggestions that may enable effective implementation of changes and transformations by the business organisations. Following suggestions have been given by majority of respondents:

1. Involvement of employees in planning changes and transformations
2. Preparation of vision document for the organisation
3. Clear blueprint for the changes and transformations to be affected
4. Clear communication regarding rationale for and benefits from change and transformation
5. Organisation commitment regarding job security and protection of current emoluments
6. Organisation commitment to offer training to enhance capability of workforce as required after change and transformation

### **Conclusions and Recommendations**

The findings reveal that there is no significant awareness regarding the concept of organisational transformation, and only 69 respondents (19.83%) out of 348 could specify and recognise the difference between change and transformation. Further, it has been found that major organisational changes and transformations being experienced 'to a large extent' are computerisation and adoption of web-based technologies, female participation increasing at workplace, adoption of TQM/ ISO certifications, diversity of work force from different states/countries, and adoption of new technologies. Female participation has been reported significantly more in case of service-sector as compared to manufacturing-sector. Changes and transformations like layoffs, introduction to new products/ brands, R&D investment, work force not permanent but associated with more than one organisation), and divesting the existing products/ brands have been reported to be experienced by the industry 'to a medium extent'. However, it is to be noted that changes and transformations like workforce not permanent but associated with more than one organisation, and divesting the existing products/ brands are being seen by manufacturing-sector 'to a small extent'. However, service-sector is experiencing them relatively more and 'to a medium extent'. Further, changes and transformations like option of working from home, internationalisation of the organisation and acquisitions are being experienced by the industry 'to a small extent'. However, service-sector is experiencing changes like option of working from home and internationalisation of the organisation relatively more as compared to manufacturing-sector.

The study has revealed significant resistance to organisational change and transformation. Most of the respondents were of the view that organisational change and transformation are not necessary, if things are working smoothly. Further, there is apprehension for change if reason for the same is not clear. The findings of the study show that a substantial number of the respondents felt that they would be distracted, less productive and efficient, and demotivated in the event of organisational change and transformation. Most of the respondents reported that they may feel pressurised and stressed during the course of organisational change and transformation. Relatively more number of respondents felt that organisational change and transformation may make them worried, excited, angry and sad. More number of respondents also believed that change and transformation would not negatively affect their relationship with co-workers at the work-place. However, it has been found that more number of respondents felt that process of change and transformation, and results of change may be of benefit to the organisation and stakeholders. Hence, it may be concluded that employees are resistant to change and transformation though they generally believe that outcome of change and transformation may be beneficial to everyone in the organisation. There are fears and apprehensions regarding change and transformation which need to be settled to ensure participation of employees in the organisational transformation

program. Absence of such participation may lead to failure to effectively implement the program. Factor analysis on the available data has extracted four forms of resistances to change and transformation amongst employees. They include resistance due to performance and capability fears, resistance due to comfort with present state of affairs, resistance due to failure to understand rationale for change and transformation, and resistance due to apprehensions regarding outcome of change and transformation.

It is suggested that in order to effectively implement any change and transformation plan in the organisation, the management should try to dispel any fear in the mind of the employees regarding process or outcome of such change. A clear blueprint of change and transformation should be designed and communicated. Preparation of vision document may help in this regard. The organisations should involve employees in planning changes and transformation. It is required to intimate the reasons and benefits of a transformation program to the employees. Organisations should make sure that employees are accorded proper training to ensure that requisite capabilities of the workforce may be built up so that none feels constrained in a transformed organisation. It is recommended that such assurances regarding capability building exercises should be given to the workforce prior to starting with the transformation program. This may dispel any fear regarding their existing capabilities becoming redundant in the transformed organisation. As a consequence, the employees would have more confidence regarding their job security in the event of organisation change and transformation.

#### **Directions for Further Research**

The present study has attempted to evaluate resistance to organisational change and transformation in manufacturing and service-sector. The study may be extended to Government departments before making any generalisation of the results. Further, the study has been conducted in the State of Punjab and the Union Territory of Chandigarh. The study may be conducted across various other states and regions of India, and region-wise comparisons in respect of resistance to change and transformation being experienced by industries may be made. It is to be noted that present study is cross-sectional in nature. An attempt may be made to conduct longitudinal studies to ascertain how organisational changes and transformations, and corresponding resistance to such changes vary over time.

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