Nature of Change Process across IT industry: The employee Opinion

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I.   INTRODUCTION:

Growing organisations big or small face the challenge of managing change which is the single most important issue today. As the environment also is complex and dynamic, it places greater demand on the organisations to be change ready.

How does change take place in organisations? By chance? or with systematic planning and implementation? We require to study the pattern of change taking place in the organisation and how do successful organisations bring about change? Indian organisations after liberalisation, privatisation and globalisation since 1991 have competed with world class organisations and many have sustained and could cope up with the changes. Can other Indian companies achieve similar success? This requires change – change in the way we think about the organizations, products and people.

The intriguing question is why have some organizations succeeded while others have failed? Organizations that have learnt how to manage change effectively have succeeded while those that haven't have become victims of change. How can change be effectively managed? This, given the knowledge base available is a difficult question to answer. The traditional management tools and techniques were developed for static, not a dynamic world.

II.   REVIEW OF LITERATURE

Change is concerned with encouraging more and more of employees to take part in the change programme by moving them out of their comfort zones. **(Duderstadt, 2000:268)**

The emergence of global competition, new technology and Public policy and socio economic changes driven by increasing global competition give rise to massive change in organizations. *Hambrick et al. (1998:5)*. *Conner (1998:100)* states that change management deals with the human aspects of implementing major corporate initiatives such as business process reengineering and the introduction of new technology – especially on an enterprise scale. *Kotter (1995:61)* provides eight steps to organisational transformation:
- ➢ Establishing a sense of urgency (examine market and competitive realities).
- ➢ Forming a powerful guiding coalition (assembling a group with enough power to lead the change effort.
- ➢ Creating a vision.
- ➢ Communicating the vision.
- ➢ Empowering others to act on the vision.
- ➢ Planning for and creating short term wins.
- ➢ Consolidating improvements and producing still more change.
- ➢ Institutionalizing new approaches

Nadler and Tushman (1995) postulate the stages of an organisation which shape it through disequilibrium. These periods of disequilibrium involve discontinuous change. Discontinuous change is marked by three components or challenges that top management have to adhere to:
- ➢ Early recognition of changing forces those are likely to create disequilibrium.
- ➢ Making appropriate strategic choices to reposition the organisation as a strong competitor in the context of the disequilibrium reshaping the industry.
- ➢ Re-architecting the organisation.

III.   RESEARCH METHODOLOGY
1. **SCOPE OF THE STUDY: F**ocus is on change management practices of various IT companies and its impact on the performance of employees. The study is limited to the 6 selected IT companies in and the data is collected from these organizations

2. RESEARCH GAP

i. In India, the studies on change management have not attracted the attention of the organizations nor the academicians in a big way, though the winds of change have swept the Indian business environment since 1991. There are many questions in change management that are unanswered.

ii. IT being an emerging sector, which is forced to implement change as they operate in a very volatile environment, is chosen for the study on change management.

IV. METHODOLOGY:

The research proposes to conduct the study in Indian IT industry, with the objective to study the prevalent change management practices adopted in organizations and their advantages and disadvantages.

i. POPULATION OF THE STUDY

The Population for the proposed study includes the IT company employees.

ii. RESEARCH DESIGN AND DATA COLLECTION

The study is based on both primary and secondary data. The study exploited both descriptive and analytical research method. The study depends mainly on the primary data collected through a well-framed and structured questionnaire to elicit the well-considered opinions of the respondents. The secondary data is collected from different Business Periodicals, Business journals, magazines, publications, reports, books, dailies, Research articles, websites, manuals and booklets.

Sampling Procedure: Employees of 6 IT companies are selected and approximately 50 employees from each organisation are selected as the respondents.

Sample Size: 6 organizations and 312 employees across organizations

Sampling Unit: Employees of Indian IT organizations.

V. ANALYSIS & DISCUSSION:

The opinion of the employees on certain major attributes of the change management process implementation in their respective organisations is collected and is tabulated. Inferences are drawn and analysed to present a picture of the change management process implementation in the selected 6 IT companies.

1. Experiencing a major change in the job routine

Change is key and sensitive element for any organization. Some reasons why organizations undergo change are environmental pressures for change and organizational pressures for change. Change is essential for long term sustainability of organizations in the market. Changing organizations keep on exhilarating by satisfying their customers through creative products and processes.

The averages are given in the following manner. As per Table: 1, total score of each company is calculated and it is divided by no of respondents in each company. Employees of ADP have experienced major changes in their job routine followed by TCS, COGNIZANT and GE. Whereas Capgemini and L & T Infotech opine that they rarely experienced major changes in their job routine. These changes occur mostly based on clients request for improved/better software services. Clients of ADP, TCS, COGNIZANT and GE probably looking for continuous creative software services to create unique image in the business world, whereas clients of Capgemini and L & T Infotech are not compelled to that extent and hence are adjusting with older services with minimal changes until unless there is great revolution in the market.

2. Awareness of the changes taking place in the organization

Employee's awareness on change is very essential for successful implementation of change which is occurred either through environmental pressure or organizational pressure. It is the responsibility of the management to make employees aware of changes that has undergone earlier and changes which are to be incorporated now, so that employees have clear idea of their roles and responsibilities when change is undergone.

As per Table: 2, employees of ADP, Cognizant, GE and TCS are aware of changes in the organization compared to Cap Gemini and L & T InfoTech. IT employees in general are aware of the changes happening in their industry as their career depends on how they acquire skills on the latest developments. Management of ADP, Cognizant, GE and TCS are following sequence of steps in communicating change to their employees. Also there is a transparency in communicating change. This, further is enhanced by the opportunities and the exposure they have and the opportunities the company provides. Large companies certainly do have the

advantage. Whereas no such proper flow of communication about change is observed in Cap Gemini and L & T InfoTech.

3. Type of change undergone

Pressures are the only reasons for undertaking change. It might be environmental pressures for change or organizational pressures for change. Type of change undergone is different for different pressures. For example new broom and mandated pressures demand for rapid and short burst type of change. Growth, identity, reputation and credibility pressures demand for incremental and organization constantly undergoing small changes. Employees' acceptance and participation in change might differ with type of change.

From the table: 3, we infer that employees of ADP, GE & TCS feel that change is incremental, whereas in Cognizant it is continuous. Employees of Cap Gemini and L & T InfoTech opine that for some the change has been rapid for some short bursts, incremental and constantly undergoing small changes. This probably could be attributed to how the organizations are involving employees at different levels of implementing change. The reason for employees of ADP,Cognizant, GE& TCS opining that change is incremental andOrganization Constantly Undergoing small changes is that there is organizational pressure for change, whereasCap Gemini and L & T InfoTech has environmental pressure for change.

4. Relationship between the new organizational practices and past

Change also takes place when any MERGER or ACQUISITION takes place, when a new CEO takes charge, when new technology is incorporated in the organization or when there is external pressure on a company to adapt change. In this situation, employees experience different relationships between past and new organizational practices subject to the strategy of the top management.

From the table: 4, it is clear that the employees of ADP, GE and TCS opine that new organizational practices replace the old. The reason is, these companies are continuously updating and encouraging their employees to adapt new softwares. It is also very clear as the employees of the same organizations expressed that there are major changes in job routine and awareness of change. The only reason for these changes is they want to be innovative. The bigger companies are never bothered of the cost component of change as they have their operations in many cities also and they are diversified into many businesses. But the employees of Capgemini, Cognizant and L & T InfoTech are modifying existing one. Cost constraint is biggest problem for smaller companies to adapt change as their business is limited.

5. Changes Brought Co. * Type of Change Brought

The type of organizational changes brought about differ based on whether the change is first order (incremental/continuous) or second order (Transformational/discontinuous) and whether the change is Anticipatory or Reactive. This gives rise to four categories viz., Tuning, Adaptation, Reorientation and Re-creation.

The study identifies the nature of change brought about among the organizations under study as to which category they belong to. It is observed that ADP, GE and TCS predominantly bring about incremental changes by anticipating the changes in the external environment. Cognizant tries to bring incremental changes but is reactive to the external environment, while CapGemini and L&T Infotech bring about changes in a rather diverse manner. In these two companies employees of different departments have observed the changes brought about in different ways.

6. The top management showing keen interest in changes brought about in the organization

Management has greater responsibility in shaping an organization and what happens in it. It is an image often associated with a participative style of management in which people are encouraged to be involved in decisions and to help identify how things can be done better[34]. Being closer to the action, the assumption is that they are likely to have a better knowledge of how things can be improved and also in shaping their behavior in ways that encourage them to take actions that most benefit to the organization.

The change management practices in India probably are not being implemented with the rigor and involvement as almost all the companies' employees are of the opinion that the top management is not showing keen interest in changes brought about in the organization. This could be that either truly the management is not showing keen interest or that the employees are not aware of the involvement of the top management in the change implementation. This could be so as communication of change in the IT industry is impersonal. The communication of the change implementation is not being permeated through the hierarchy. Employees of all the companies opine that management is not providing adequate training and development programs and also they opine that they are not providing adequate resources required to implement change successfully.

7. The change process is consistent across the organization

It is observed that in all the companies the change process being implemented is not so consistent. IT being the volatile industry the types of external changes like new platforms, domains would be very inconsistent. For the employees to be able to say that the change process is consistent requires that all of them to be having the comprehensive idea of how changes in each block of the organization would contribute to the wholesome idea of change. If the top management doesn't initiate the communication and involvement of employees in the long term view of the change, employees would fail to perceive the impact of the overall change on the changes brought about in their vicinity.

8. The program has adequate resource and organizational support to implement the change process

Management has greater responsibility in shaping an organization and what happens in it. It is an image often associated with a participative style of management in which people are encouraged to be involved in decisions and to help identify how things can be done better. Being closer to the action, the assumption is that they are likely to have a better knowledge of how things can be improved. The programmes resources should also shape the employees' behavior in ways that encourage them to take actions of most benefit to the organization. Management should provide employees with operational requirements to assist in its effective functioning even in the times of high uncertainty and ambiguity.

The employees irrespective of the experience do require certain resources and facilities while implementing the changes brought about in their job, especially in terms of training on the new platforms and domains and the updated versions. There is observed a gap in the perception of the top management and that of the employees in the resources made available to them to support the implementation of the change process. And this is observed across the organizations selected. Employees opine that management is expecting to undergo change with the existing resources which does not support adopted new versions.

9. The Riskiness of the change process

Change is expensive and traumatic event for any organization. Managers of change need to be able to assess the pressures on them to engage in it. Change involves many steps that are to be handled sensitively and sequentially. If any negligence is shown in handling change then entire process collapse and company has to face huge losses.

The averages are obtained by taking overall sum of each organization and dividing with total no of respondents from each organization. By referring to the type of change that the organizations are undergoing, it is observed that ADP, GE and TCS are undergoing incremental changes and in the other organizations different employees are undergoing different types of changes. And hence their perceptions; employees undergoing incremental changes opined that the change process is risky as there is always something to change and the others have diverse opinions. Companies which opine change is risky state that organizations perish because of disruptive impact of change. In competitive economies, firm survival depends on satisfying shareholders. Failure do this will lead them either to move their capital to other companies.

10. Possibility of forcible change in the organization

Employees of ADP, TCS, GE observe that there is an element of forcibility in implementing change while others do not think so.

11. Infusion of new ideas through New managers in the organization

When a new manager arrives it act as a signal that old ways are about to change. As they are unhampered by adherence to past organizational practices, they can focus on problems that may have been known but not able to be named in the past. They are likely to be able to tackle customer problems with credibility since they are not associated with previous problems that may have been part of the relationship the company had with its clients.

It is observed that employees of ADP, GE, Cognizant and TCS are of the opinion that new managers have a lot of innovative thoughts and past experiences in previous companies which help to infuse the organization with new ideas whereas Cap Gemini and L & T InfoTech opine that it happens rarely. The reason might be employees are not coping up with ideas of new managers regularly or truly managers are not infusing with new ideas. In IT industry employees with competence only can survive and grow. The other employees

also would look forward to them only for their competences and nothing else. When companies go for new projects and as the client base changes there could be demands from them on the new talents to be available.

12. Organizations experiencing change process in the past

Change prior to 1960's was more likely to be incremental and infrequent, the last two decades have been once of significant and traumatic organizational change. After 1990's these changes have become revolutionary. Regardless of which position may be most appropriate to explaining why a specific organization change occurs, there are a clearly a variety of pressures on mangers to change. they come from many directions: the environment, the discovery of deviations from standards, new desires and visions of future, or the fundamental nature of organization themselves.

There appears to be a common opinion from employees of all the organizations that they have experienced change process occasionally in the past. Employees opine that as IT industry is volatile in nature changes occur mostly when organizations decide downsizing, introduction of new technologies. This can be attributed to the growing knowledge on the change management practices and the availability of literature. Of late, the managers have understood the phenomenon of implementing change and are able to take risks in the implementation.

Suggestions:

1. Opportunities compel organizations like ADP, TCSm Cognizant and GE to take up major changes. Yet companies like CapGemini and L&T may take up major change programmes that could make the organizations change ready or future ready.

2. Very similarly, the awareness levels of employees of CapGemini and L&T on the change programmes being implemented are quite low compared to the others. The companies need to involve the employees in the change process, communicate the pros and cons of any change programme being implemented. Taking employees into confidence before the implementation of the change programme would certainly contribute the effectiveness of the change.

3. The top managements need to not only show keen interest in bringing about the planned and systematic changes in the organization, but also instill confidence among the employees that the top management is really concerned and contributing to the change process in a big way. The average employee of IT industry is probably too closed to his short term environment and objectives. It is time to open up to see the bigger picture and far into the future.

4. Are the resources sufficient to take up the change programmes envisaged? The average employee in IT industry is not sure if the resources allocated by the top management is sufficient to pursue the change programme. Either the resources are not really sufficient or the employee if not sufficiently informed of the efforts of the top management, which also is required for the success of the change programme.

5. Employees of ADP, TCS and GE which take up incremental changes believe that the change process is risky. Employees must be confident to take up change programmes and the management should provide them the guidance on how to react to the change. Change could be risky but is to be faced. Change ready programmes for employees exclusively should be conducted.

APPENDIX

Crosstab									
Table: 1									
		Q1. Have you experienced a major change in your job routine					Total		Level of major change experience
		Never	Rarely	Occasionally	Often	Always		Total Score	
Co.	ADP	1	1	22	26	0	50	173	3.46
	Capegemini	15	14	14	7	0	50	113	2.26
	Cognizant	3	5	16	23	3	50	168	3.36
	GE	1	10	18	28	0	57	187	3.28

	L & T Infotech	14	23	9	3	1	50	104	2.08
	TCS	1	4	21	29	0	55	188	3.42
Total		35	57	100	116	4	312	933	2.99

Table: 2

		Q2. Are you aware of the changes taking place in the organization						Total Score	
		Never	Rarely	Occasionally	Often	Always	Total		
Co.	ADP	0	28	22	0	0	50	122	2.44
	Capegemini	17	24	7	2	0	50	94	1.88
	Cognizant	15	15	4	16	0	50	121	2.42
	GE	3	28	26	0	0	57	137	2.40
	L & T Infotech	15	21	12	1	1	50	102	2.04
	TCS	3	31	21	0	0	55	128	2.33
Total		53	147	92	19	1	312	704	2.26

Table: 3

Count

		Q3. Type of change undergone				Total
		Rapid	Short Bursts	Incremental	Organization Constantly Undergoing small changes	
Co.	ADP	0	2	47	1	50
	Capegemini	7	11	19	13	50
	Cognizant	2	8	13	27	50
	GE	0	7	48	2	57
	L & T Infotech	9	15	21	5	50
	TCS	1	3	50	1	55
Total		19	46	198	49	312

Table:4

Count

		Q4. Relationship between the new organizational practices and past			Total
		Does the old coexist with the new	Do the new replace the old	Is the old modified with the introduction of the new	
Co.	ADP	9	37	4	50
	Capegemini	20	17	13	50
	Cognizant	20	8	22	50
	GE	7	41	9	57
	L & T Infotech	18	22	10	50
	TCS	12	40	3	55
Total		86	165	61	312

Table: 5

Co.	Change in type of work		Change of work hours/ Conditions		Increased / decreased work responsibilities		Reorganization		Introduction of new technology		New Products/Markets		Others please specify		Total
	No	%	No	%	No	%	No	%	No	%	No	%	No	%	Over all Total
ADP	23	0.21	18	0.17	30	0.28	23	0.21	8	0.07	6	0.06	0	0	108
Capegemini	25	0.19	22	0.17	33	0.26	10	0.08	22	0.17	17	0.13	0	0	129
Cognizant	14	0.18	17	0.21	9	0.11	9	0.11	25	0.31	3	0.04	3	0.04	80
GE	30	0.23	19	0.15	35	0.27	22	0.17	13	0.1	8	0.06	1	0.01	128
National Instruments	18	0.17	23	0.21	28	0.26	14	0.13	15	0.14	9	0.08	0	0	107
TCS	29	0.23	19	0.15	26	0.21	29	0.23	14	0.11	7	0.06	0	0	124
Grand Total	139	0.21	118	0.17	161	0.24	107	0.16	97	0.14	50	0.07	4	0.01	676

Table: 6

		Type of Change Brought				
		1. Tuning	2. Adaptation	3. Reorientation	4. Re-creation	Total
	ADP	38	0	6	6	50
	Capegemini	23	12	10	5	50
	Cognizant	20	22	7	1	50
	GE	37	4	11	5	57
	L & T Infotech	18	16	12	4	50
	TCS	39	1	6	9	55
Total		175	55	52	30	312

Table: 7

	Incremental	**Discontinuous**
Anticipatory	ADP, GE, TCS, CapGemini, L&T Infotech	CapGemini, L&T Infotech, GE
Reactive	Cognizant, CapGemini, L&T Infotech	TCS

Table: 8

		Q8. The top management showing keen interest in changes brought about in the organization						
		Strongly Disagree	Disagree	Neutral	Agree	Total	Total Score	
	ADP	1	42	3	4	50	110	2.2
	Capegemini	13	28	8	1	50	97	1.94
	Cognizant	20	22	7	1	50	89	1.78
	GE	10	39	5	3	57	115	2.02
	L & T Infotech	21	26	2	1	50	83	1.66
	TCS	5	43	1	6	55	118	2.15
Total		70	200	26	16	312	612	1.96

Table: 9

Co.		Q9. The change process is consistent across the organization					Total	Total Score	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree			
Co.	ADP	18	26	4	1	1	50	91	1.82
	Capegemini	11	21	10	6	2	50	117	2.34
	Cognizant	3	28	16	2	1	50	120	2.4
	GE	20	24	3	4	6	57	123	2.15
	L & T Infotech	15	25	9	1	0	50	96	1.92
	TCS	20	24	6	2	3	55	109	1.98
Total		87	148	48	16	13	312	656	2.10

Table: 10

Co.		Q10. The program has adequate resource and organizational support to implement the change process					Total	Total Score	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree			
Co.	ADP	22	20	0	3	5	50	99	1.98
	Capegemini	10	17	19	2	2	50	119	2.38
	Cognizant	1	32	13	4	0	50	120	2.4
	GE	24	24	1	4	4	57	111	1.94
	L & T Infotech	12	29	7	2	0	50	99	1.98
	TCS	24	24	0	2	5	55	105	1.90
Total		93	146	40	17	16	312	653	2.09

Table: 11

Co.		Q11. The change process is risky					Total	Total Score	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree			
Co.	ADP	3	0	20	20	7	50	178	3.56
	Capegemini	4	15	14	14	3	50	147	2.94
	Cognizant	0	41	5	4	0	50	113	2.26
	GE	3	1	23	22	8	57	202	3.54
	L & T Infotech	5	26	12	7	0	50	121	2.42
	TCS	2	0	20	25	8	55	202	3.67
Total		17	83	94	92	26	312	963	3.09

Table: 12

		Q12. Is the change forced on to the organization					Total	Total Score	
		Never	Rarely	Occasionally	Often	Always			
Co.	ADP	1	5	0	17	27	50	214	4.28
	Capegemini	8	17	18	7	0	50	124	2.48
	Cognizant	0	13	18	18	1	50	157	3.14
	GE	0	6	4	18	29	57	241	4.22
	L & T Infotech	4	19	24	2	1	50	127	2.54
	TCS	1	2	2	20	30	55	241	4.38
Total		14	62	66	82	88	312	1104	3.54

Table: 13

		Q13. New managers infused the organization with new ideas					Total	Total Score	
		Never	Rarely	Occasionally	Often	Always			
Co.	ADP	1	0	20	25	4	50	181	3.62
	Capegemini	11	20	13	6	0	50	114	2.28
	Cognizant	2	13	14	21	0	50	154	3.08
	GE	2	2	23	26	4	57	199	3.49
	L & T Infotech	7	23	16	2	2	50	119	2.38
	TCS	2	0	26	23	4	55	192	3.49
Total		25	58	112	103	14	312	959	3.07

Crosstab

Table: 14

		Q14. Did the organization experience change process in the past						Total Score	
		Never	Rarely	Occasionally	Often	Always	Total		
Co.	ADP	2	5	38	5	0	50	146	2.92
	Capegemini	6	14	25	3	2	50	131	2.62
	Cognizant	8	13	14	13	2	50	138	2.76
	GE	6	12	35	4	0	57	151	2.64
	L & T Infotech	5	18	23	3	1	50	127	2.54
	TCS	2	9	39	4	1	55	158	2.87
Total		29	71	174	32	6	312	851	2.73