

# A Empirical study on Impact of Change management on Employee Performance in major IT companies, Bangalore

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**Abstract:** *Change is perpetual and an essential ingredient for every organisation in their recipe to achieve success and be a winner. The purpose for this research paper is to analyse the impact of change management on employee performance in the IT sector, Bangalore. The design of the study is descriptive for which both primary and secondary data has been collected. The study is taken up with a sample size of 300 where the respondents were asked on variables like Quality of change, participation, attitude of top management and support by supervisors. The results show that Organisational has a positive significant impact on employee's performance in IT sector of Bangalore. The study suggest that further research should be conducted by taking various factors of change management in order to observe the overall impact of process of change on employee performance.*

**Keywords:** *Process of change, Employee performance, Quality of change, Employee participation, Attitude of top management.*

## 1. INTRODUCTION

Organisational commitment to improve performance. Effective performance of employee will improve the Two thousands years ago the saying of Heraclitus's "Everything changes and nothing stands still", this powerful truth which can help us to understand and accept that change is a common feature in everywhere. In today's business environment, the adoption of change management can help increase the ability of organisations to face the different challenges, because many factors such as technological development, intense competition, globalisation, the digital and knowledge economy, and visionary leaders etc can lead rapid constant change. New technologies are changing the way businesses have to operate and how to interact with other players. Information is taking the key role in this change. The basic requirement for the development of new business models is high-speed internet and communications. The businesses have to adapt to new changing environs with respect to customer preference and the regulations provided by the Government. Change is troublesome in light of the fact but Organizations that decline to grasp change may vanish. The success of any organisation is based on its number of good performing employees. Good performance is based on the employees attitude and capability of managing human resources. Organisational Performance is directly proportional to good employee performance. Highly dedicated and professional employees are imperative for success of organisation as they provide valuable

contribution. All levels of employee need support to implement factors of change management and performance of organization.

## 2. RELATED LITERATURE

**Olu Olujide et al (2019)** “Change Management and It’s Perpetrate on Organisation” in this article the key objectives of the author is to find the appropriate change management, the various factors and types which can influence the employee performance in an organisation. For this study the author collected both primary data and secondary data with a sample size of 69 in Dangote Flour Mill Plc. The samples selected by using simple random sampling method by using spss find out the correlation. the author finds five internal factors among that the staff feel that power and influence act as a main driver for change and political factors causes changes from external. From this article he concludes that change is essential for the development and at the same time it must be very cautious for getting the success in the organisation.

**SIBUSISIWE NTOKOZO ZONDI et al (2016)** “An Investigation into the Impact of Organisational Change Strategy on Employee Morale and Performance at Company X” in this article the study was made in South Africa in non profit pharmaceutical company . in this study the author want to find out the how the organisational change effect employee morale and performance. The participants of the study is 150. The employee performance can be increased with the successful implementation organisational change. The findings of the study is morale of employee decreased with implementation change strategies should planned properly to avoid complications while implementation. From this the author conclude that participation and involvement of employees is necessary for planned change actions.

**S. Saritha et al(2017)** “A Study on the Effects of Change Management in Select Manufacturing Companies in Chittoor District, A.P.” in this article the author want to find the effect of change management in various companies in Chittoor. the amain objective of the study is to find the effect of change management on culture, structure and leadership at companies. Both primary and secondary data is used and the sample size for the study is 57, to analyse the data mean, median, mode and frequencies is calculated. the findings of the study is while implementing change guiding coalition, getting the guiding coalition to work together as a team, and tangible vision for change. The study concludes that there is need for frequent organisational change to promote change and ensuring right people are chosen for the role of change development.

**Rieley, James Clarkson,** “The impact of change on performance” in this study how the organisation face the challenges of in a critical situations whenever they are undergone for change management. This study shows that addiction to change can minimise ability to see and understand the long-term vision for an organisation, the employees will not stay in department which can go for continuous change, understanding the vision and knowledge about implementation about change can lead to effective results in the organisation.

**Sr. Lucy Wanza et al(2016)** “Influence of Change Management on Employee Performance: A Case of University of Eldoret, Kenya” in this study the author investigated that how the change management effects on employee performance and how it relate to the technological changes, organisational leadership, culture and structure. the study design case study ,the sample size of 121 selected from the target population of 403 employees by using simple

random sampling technique the primary data was collected by questionnaire and interview method. From this study the author found that both the structural changes and leadership influence positively where as technology shows greater impact and culture which encourages team work. The recommendations of the study is employee motivation is needed to get the expected results from the change management and also to increase the employee performance.

## **2.1 Conceptualisation of Change Management on Employees Performance**

The present scenario is posing difficult challenges to any organisation in which the Change is the main challenge. Robbins (2003) making different things is defined as change. Garber (2013) listed that at workplace change is inevitable and the manager role is to adapt the change so that the process transition is made easier. Now a days organisations are continually confronting challenges to remain competitive and successful, which compels organisations to regularly re-evaluate their strategies, structures, policies, operations, processes and culture. The biggest challenge in the domain of change management is management of change effectively with massive human involvement

## **2.2 Statement of the Problem**

Hence, change is mandatory for every organisation and it was observed that changes may be essential because of poor employee performance. According to Employees' perception feel uncertain and fear of losing the job for resistance to change. Knowing readiness for change is the crucial aspect to make the employees to accept change. At From the literature reviews it has been observed that employees' feel more stressed because of changes brought into organisation as they are well accustomed to the existing environment. But the IT organisations need to adopt changes frequently because of day to day modifications. this juncture planning for change is very essential. Hence in this study the author made an attempt to study the effect of planning for change on employee performance. It is also very essential to know how well the IT companies create conducive environment of change implementation. The above discussed points make clear the problem identified for the present research.

**IT Industry in Bangalore:** An industry consisting of two major components IT services and business process outsourcing (BPO). IT sector contribution to the GDP of India has increased from 1.2 percent (1998) to 7.7 percent (2017). From desk of NASSCOM in 2019 IT sector revenue is aggregated to US\$180 billion. As of 2020, India's IT workforce accounts for 4.36 million employees. The major IT hubs are Bangalore, Hyderabad, Chandigarh, Kolkata, Chennai and Pune.

## **2.3 Objectives of the Study**

The main objective of this study is to examine the process of change management and its impact employee performance in the IT industry. In line with the main objective, the specific objectives are to:

1. To study the quality of change, participation in change management process.
2. To study the attitude of top management, support by supervisors in change management process.
3. To study the impact of change on employee performance in IT sector.

## 2.4 Hypothesis

### To validate the study the following null hypotheses have been taken

**Ho:** There is no significant effect of Quality of change and participation on organisational change

**Ho:** There is no significant effect of Attitude of top management and support by supervisors on organisational change

**Ho:** There is no significant effect of Change management on employee performance

## 3. RESEARCH METHODOLOGY

### 3.1 Research Design:

The author used descriptive research design. Descriptive research design is used for pooling the data from the respondents. Pooling of data is all about studying the attributes of the respondents.

**3.2 Sampling Design:** This is the action plan which guides in selecting of adequate sample size required for the study. A sample size of 300 comprising managers, team leaders and operating staff formed the respondents for the study. Stratified and simple random sampling techniques were used to select the respondents whereby the employees were stratified according to their designation. The questionnaire includes closed ended questions which were taken on five point Likert Scale. The internal consistency is tested using Cronbach's alpha coefficient. Descriptive statistics was used to analyze data with the help of SPSS.

## 4. DATA ANALYSIS, PRESENTATION & INTERPRETATION:

Data collected during the research were analyzed, the data from the questionnaire were coded and fed into excel spread sheet and the data were then exported SPSS Furthermore, the formulated hypotheses are subjected to empirical test using one-way repeated analysis of variance. The results of the findings are as follows.

**4.1 Presentation of Results:** The study investigates "The process of change management its impact on the performance of an employees in major IT companies, Bangalore". Data was analysed at 5% level of significance. The results of the analysis are presented beginning with the presentation of demographics of the respondents which revealed that majority of the respondents was male which constitute (63.4%), while their female counterparts were (36.4%).

### Reliability Test:

**Reliability Statistics:** (Devellis 2003) One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient, ideally above 0.7 value indicates very good internal consistency. For the present analysis The Cronbach's Alpha coefficient is 0.844 which is above 0.7 showing internal consistency to be very good with 300 sample and 20 items taken.

### 4.2 One Way Analysis of Variance Test of Hypotheses:

4.2.1 **Ho:** There is no significant effect of Quality of change and participation on organisational change

**ANOVA table 1: Quality of change and participation on organisational change**

	Sum Squares	of df	Mean Square	F	Sig.
<b>Between Groups</b>	8.882	4	2.221	9.614	.000
<b>Within Groups</b>	63.514	275	.231		
<b>Total</b>	72.396	279			

From the ANOVA table 1 F-Significance value is 0.000 ( $P < 0.05$ ) hence the null hypothesis was rejected. Alternatively it is accepted that quality of change and participation significantly enhances change management process at 95 percent level of confidence interval.

4.2.2 **Ho:** There is no significant effect of Attitude of top management and support by supervisors on organisational change

**ANOVA table 2: Attitude of top management and support by supervisors on organisational change**

	Sum Squares	of df	Mean Square	F	Sig.
<b>Between Groups</b>	25.020	2	12.510	16.273	.000
<b>Within Groups</b>	212.948	277	.769		
<b>Total</b>	237.968	279			

From the ANOVA table 2 F-Significance value is 0.000 ( $P < 0.05$ ) hence the null hypothesis was rejected. Alternatively it is accepted that attitude of top management and support by supervisors strongly affect change management process in IT industry at 95 percent level of confidence interval.

4.2.3 **Ho:** There is no significant effect of Change management on employee performance

**ANOVA table 3: Impact of change on employee performance in IT sector**

	Sum Squares	of df	Mean Square	F	Sig.
<b>Between Groups</b>	39.818	3	13.273	38.138	.000
<b>Within Groups</b>	96.053	276	.348		
<b>Total</b>	237.968	279			

From the ANOVA table 3 F-Significance value is 0.000 ( $P < 0.05$ ) hence the null hypothesis was rejected. Alternatively it is accepted that Change management significantly effects Employees Performance in IT industry at 95 percent level of confidence interval.

## 5. CONCLUSION AND RECOMMENDATION

Globalisation has open gates for the new entrants in the IT sector in India. To survive in the competitive era, the organisations have to understand the importance of organisation and its impact on important factors like organisational change and employee performance. The aim of the study was to examine the impact of change management process on employee performance in IT companies. The study assessed to what extent quality of change, participation of employees, top management and support by supervisors will impact change management process in IT companies, Bangalore. Moreover, the study also examined to what extent the change management impacts on employee performance. The results indicated that these above factors influenced the change management process effectively.

The following are the recommendations were arrived based on the study findings IT sector is one of the most important sectors of global business. MNCs need most cultural sensitive skilled workers as research revealed. Every employee should start with an induction program initially and like wise further when there is initiation of change programmes timely training is to be imparted. Before the training session the top level should taken active participation to educate the employees Of why the change programmes are initiated, Creating awareness about the level of programmes to the employees will result in better understanding and effective implementation of change management strategies. Further this encourages more participation from the employees and avoids undue resistances that may get created in the process of implementation. Another important recommendation for implementing change smoothly is that the internal change managers should be encouraged to have hands on experience with external expert team.

IT sector is a dynamic sector where anticipation of change becomes the key component of success. This helps in taking timely measures proactively in order to stand internally and externally. Internally, Anticipation of change will help in improving employee performance by reducing the negative effect of resistance to change and Externally, it help in offering tough competition to other players by taking first movers advantage through addressing the needs of the customers. Thus it can be concluded that change management is imperative for any organisation to stand in the market and creates new scope for the employees to grow professionally and improve their performance as their credentials are enhanced. So, the concept of change management is advantageous not only to the organisation but also to the employees who are the key success change agents.

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