



Exploring the Change Management Practices in Determining Employee Performance in the IT Industry

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Abstract: The research study seeks to determine the potential impact of Change Management practices on employee performance. Change Management is a systematic approach of implementing and controlling organizational changes. It plays a major role in shaping the performance of employees in the organizations. The purpose of the study is to identify the various Change Management practices in the IT sector organizations in Kerala and to analyze how such practices result in the employee performance. The findings of the study conveyed that Change Management practices have significant and positive influence on the employee performance in the IT industrial context of Kerala.

Keywords: Organizational Change, Change Management, Change Communication, Employee Participation, Change Leadership, Employee Performance

Introduction:

Change Management is a vital aspect within the human resources of an organization in terms of change adaptability, morale development, disruption free operations, skill development and inclusive culture. Human resource managers perceive organizational changes as an opportunity for growth, innovation and improvement and this positive perception drives towards positive work outcomes and long term organizational success. Change Management encompasses various practices that bring noteworthy contributions to the human resource development in the organizations. According to the perspective of employees, Change Management issues in the organizations take place in forms of improper employee representation, partial employee involvement and limited employee participation (Noble Osei-Bonsu, 2014). Lack of uniformity in the conceptualization of Change Management and the resultant complexity laid foundation for signifying Change Management practices in the service sector enterprises.

Employee performance of an individual is the extent to which he execute his job related duties and responsibilities. It is an indicator of an individual employee's efficiency in his work. Performance is reflected from the productivity, which influences the organizational success before, during and after the Change Management (Isokariari and Eke, 2023). Blemished Change Management practices like poor communication, inadequate training and lack of employee consideration negatively influence the employee performance, which ultimately tarnishes the brand image of the organization. This brings difficulty for the organization to attract talented workforce and the competitive strength may get diminished. To overcome this pathetic situation, HR department in the organizations should develop a supportive culture that prioritizes employee contributions during the times of change implementation or change discussion. The present study emphasizes on identifying the Change Management practices in the IT industry and evaluates how these practices influence the performance of employees.

Problem Statement:

Intense competition, workforce dynamics, stringent cyber regulations, variability in the client preferences and shift towards remote working system form the major sources of organizational changes in the IT industry at national as well as at global level. In addition to these changes, widespread adoption of AI, integration of cloud-computing, proliferation of IOT devices and automation continuously challenge the working environment of the Indian IT industry. The weakness of Change Management is highlighted among IT sector employees since they have poor access to decision makers and they perceive Change Management as temporary interventions (Derek Robert Brown et.al. 2016). Therefore, the current study explores the Change Management practices in the IT industry and its potential impact on the employee performance.

Review of Literature:

Chuka Stephen Akunne and Umar Abbas Ibrahim (2021) evaluated the impact of Change Management strategies on employee performance. The study has been conducted among 60 employees working in Nigerian Electricity Regulatory Commission. Technological changes, organizational restructuring and new communication strategies were taken as the independent variables of the study, while employee performance was taken as the dependent variable of the study. The findings of the study validated that all the independent variables individually, has significant impact on the performance of the employees. Additionally, it was found that the attitude of employees towards Change Management is influenced by their perception towards the benefits of changes.

Amosa et.al. (2021) determined how resistance to Change Management influences the employee performance among textile manufacturing employees in Nigeria. From a sample of 365 respondents, it was inferred that change communication positively and significantly influences the employee productivity, whereas employee participation positively and significantly influences the employee job satisfaction. The findings of the study suggested the management to pay attention towards managing employee resistance to change through proper communication and entrenchment of organizational democracy.

Gohar Ali and Dr Masood Hassan (2022) examined the empirical Change Management and its influence on the employee performance. The study underscored the importance of attitude, behaviour and willingness of employees in Change Management and how employee friendly environment contribute towards better performance. The findings of the study confirmed that employee resistance to change implementation has negative impact on the employee performance.

The existing literatures identified the paucity of studies undertaken on Change Management and employee performance in Indian organizations. Moreover, heterogeneity was observed in the conceptualization of Change Management in the existing literatures. The current study attempts to fill these research gaps and bring contribution on these aspects.

Theoretical framework of the study:

Change Management is a systematic approach in the organizational behaviour that is concerned with the application of knowledge, tools and resources to deal with uncertainties in the business environment. It is a managerial process in which various strategies, structures and procedures are synchronized to plan and control changes in the organization. the scope of Change Management has been extended beyond project management as it involves the leading the 'people side' of management. Change Management activities are primarily undertaken to implement new methodologies and business strategies by eliminating negative outcomes.

Alan Clardy (2013) proposed a generic model in his study for Change Management by identifying its seven functional requirements. The model was named as IMPROVE model, by capturing the first letters of these requirements. The seven functional requirements of Change Management as per this model are as follows:

- I- Increasing organizational readiness for changes- It emphasizes on educating employees about the organizational connections and increasing their confidence while dealing with the organizational changes.
- M- Management approval for change- It emphasizes on identifying the problems or opportunities of organizational performance.
- P- Preparing leadership and direction for change process- It emphasizes on project leader preparedness and project planning.
- R- Raising employee motivation for change- It emphasizes on employee participation in planning and preparing for changes.
- O- Operationalizing the change- It emphasizes on an intervention plan with a set of actions designed to produce changes.
- V- Validating the change success- It emphasizes on evaluating the extent to which change initiative in the organizations produce desired outcomes.
- E- Embedding change into organization- It emphasizes on management and supervisory practice in bring formal human resource policies and procedures.

The dimensions of Change Management in the study include Change Communication, Employee Participation and Change Leadership.

- ❖ Change Communication encompasses of openness, proper education, timeliness, transparency and training workshops in communicating organizational changes to the employees. clear communication of change elevates the acceptance of change among employees and other stakeholders, thereby opening doors to innovation.
- ❖ Employee Participation encompasses of employee consideration, adequate representation of employees, freedom to the employees and encouraging feedback on change initiatives undertaken in the organization. this develops a sense of belonging among the employees and stimulates their contribution towards the successes of organizational change.
- ❖ Change Leadership encompasses of leadership support, arrangement of periodical meetings by the leader, developing emergencies by the leader and information provision by the leader regarding change related aspects. The presence of change leadership overcomes the obstacles in the change acceptance among employees.

Employee Performance is a metric of productivity that is determined by the expectations set by the employer. It can be affected by the presence of organizational changes and the way in which they are managed and controlled. The previous works on Change Management proved its influence on the performance of employees highlighting that Change Management activities in the organization shapes employee performance to a great extent.

Objectives of the study:

The aim of the study has been dissected specifically, which include:

1. To identify the Change Management practices in the IT industry
2. To determine the impact of Change Management practices on employee performance in the IT industry

Research Methodology:

The study adopted descriptive research design. The general aim of the study is to identify the various Change Management practices in the Information Technology industry in Kerala and to know their impact on the employee performance. Change Communication, Change Leadership and Employee Participation have been taken as the independent variables of the study. The dimensions of employee performance such as task performance, contextual performance and counterproductive work behaviour were taken as dependent variables of the study. These dimensions were measured among the respondents using IWPQ [Individual Work Performance Questionnaire].

The area of the study was concentrated among IT sector in Kerala. The researcher has approached employees from leading IT companies in the state and a sample of 82 employees was chosen using convenient sampling method. The primary data for the study was gathered from the respondents using questionnaire. Different statistical tools like exploratory factor analysis, correlation and multiple regression analysis were employed in the study for proving the objectives framed by the researcher.

Results and Discussion:

Thirteen relevant statements on Change Management from the existing literatures have been incorporated into the present study and they were undergone exploratory factor analysis. The output of the analysis simplified the statements into three major practices. First set of practices comprises of five statements and being named as ‘Change Communication’. Second set of practices comprises of four statements and they are collectively named as ‘Employee Participation’. Third set of practices comprises of four statements and they are named as ‘Change Leadership’.

Table 1- Change Management practices in the IT industry

Sl No.	Variables	Factor loading	Construct
1	Educating future changes	0.927	Change Communication (35.27%)
2	Open change communication	0.879	
3	Timely change communication	0.876	
4	Transparent change communication	0.869	
5	Intensive workshops	0.835	
6	Consideration of employee views on change decisions	0.851	Employee Participation (21.14%)
7	Adequate representation of employees	0.835	
8	Freedom for change related enquiries	0.812	
9	Feedback system for change decisions	0.549	
10	Leadership support during change	0.825	Change Leadership (16.74%)
11	Periodical meetings by leader on change initiatives	0.772	
12	Development of sense of urgency	0.686	
13	Sufficient information on change by the leader	0.624	
Total Variance Explained: 73.15%			

Source: SPSS generated

H₀1: There is no significant relationship between Change Management practices and Employee Performance

Table 2- Correlation between Change Management practices and Employee Performance

	Change Communication	Employee Participation	Change Leadership
Employee Performance	0.635*	0.317*	0.078
* Significant at 5 percent level			

Source: SPSS generated

The given table shows the relationship between Change Management practices and employee performance. Employee performance has been significantly and positively related with Change Communication and Employee Participation. However, the results revealed the insignificant relationship between Change Leadership practices and employee performance.

H₀2: There is no significant influence of Change Management practices on employee performance

Table 2- Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.637 ^a	.406	.384	.95973	1.039

a. Predictors: (Constant), Employee Participation, Change Leadership, Change Communication

b. Dependent Variable: Employee performance

The adjusted R-square value in the model summary table exhibit that variation in the Change Management practices is expected to bring moderate changes in the employee performance. The Durbin Watson value lies between 0 and 2, which indicates that there is no autocorrelation or there exist only a slight positive autocorrelation between the predictors in the regression model.

Table 3- ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.179	3	16.393	17.798	.000 ^b
	Residual	71.845	78	.921		
	Total	121.024	81			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Employee participation, Change Leadership, Change Communication

Table 4- Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
		1	(Constant)	.891	.949		.939	.351
	Change Communication	.853	.135	.669	6.318	.000	.679	1.473
	Change Leadership	.038	.201	.017	.188	.851	.986	1.014
	Employee Participation	-.090	.153	-.063	-.591	.557	.678	1.475

a. Dependent Variable: Employee performance

Table 3 shows the ANOVA table of the regression model. The result show that the model is significant ($p < 0.05$). This rejects H_02 and the three Change Management practices have combined influence on the employee performance.

Table 4 shows the effect of predictors on the dependent variable. The regression effect shows that Change Communication practices have significant influence on the employee performance, while the other predictors Change Leadership and Employee Participation were not found to be significant influencers. The VIF value for all the predictors is below 5, which indicates that there are no multicollinearity issues among the predictor variables.

The analysis of the results revealed the significant relationship between Change Management practices and employee performance. The findings of the study are in congruence with those of Demetris Vrontis et.al. (2018) and Amosa et.al. (2021). Clear communication of change is characterized by openness, transparency and timeliness. Clarity in communication, conducting change related workshops and educating changes help the employees to understand their roles and responsibilities to be undertaken during change implementation. This develops their sense of belonging towards the organization, thereby leading to enhancement of their job performance. Employee participation in change in terms of consideration, representation, freedom and feedback, found to be significantly related with employee performance. However, its influence on the employee performance found to be insignificant. This may be due to the fact that even though there is proper employee participation in change decision making, the employees may be lacking from sufficient resources and managerial support. Change leadership is also a crucial determinant of employee performance. However, leadership in this context comprising of leadership support, periodical meetings, urgency and change information, found the inability to exert its influence on the performance of employees.

Conclusion and Suggestions:

The study examined the influence of Change Management practices on employee performance among the IT sector employees in Kerala. It brought noteworthy contribution towards the existing literatures on the relationship between Change Management an employee performance. It was identified from that Change Management practices in the IT sector organizations in Kerala are broadly categorized as Change Communication, Employee Participation and Change Leadership. Diverse Change Management practices found to have significant and positive influence on the employee performance in the IT sector organizations of the state. It can be concluded that Change Communication practices are effective in shaping the employee performance in the organizational environment. However, at the same time, Employee Participation and Change Leadership practices failed to have a strong relation with the employee performance.

In sequence to the findings and conclusion, the following suggestions are provided:

- The IT sector organizations in Kerala need to focus more on provision of resources and provide managerial support at the time of change implementation, which could establish a strong relationship between Employee Participation and employee performance. This could also strengthen the influence of Employee Participation on employee performance in the IT industry of the state.

- The IT sector organizations in Kerala should pay attention to better Change Leadership practices for enhancing the performance of employees that might benefit the holistic development of individuals, groups and organizations.

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