

A STUDY ON EMPLOYEE RESISTANCE TOWARDS ORGANISATIONAL CHANGE WITH REFERENCE TO AUTOMOBILE SECTOR

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ABSTRACT

Organizational change is inevitable for the automotive industry today and to ensure that the industry move in a positive direction, the resistance among employees towards organizational change need to be thoroughly understood and potential impediments to change be identified. Therefore, this study seeks to investigate employee resistance towards organizational change. The study was conducted among employees working in automobile sector in Chennai. The analysis was conducted using chi-square and ANOVA on the primary data. The result showed a relationship between employees resistance attitude on implementation of Organisational Change.

KEYWORDS: Automobile Industry, Organisational Change, Employee Resistance, Chi-square, ANOVA

Today's business world is highly competitive. The way to survive is to reshape to the needs of a rapidly changing world. Resistance to change is a dead-end street for organizations. Customers not only demand excellent service but demand extra benefits along with it. If organizations do not supply it, their competitors will. Organizations are reshaping themselves to change quickly in order to meet the needs of their customers. It is people who make up organizations and it is they who are the real source of and vehicle for change. They are the ones who will either embrace or resist change. If organization's need change in order to take hold and succeed, then organizations and the people working in them must be ready for transformation. Readiness for change is not automatic and it cannot be assumed. An investment in developing change readiness – at both an individual and whole-of-organizational level – can achieve a double benefit (Smith, 2005).

Organization change takes place when a company makes an evolution from its current state to some desired expectations. Managing organizational change is the process of forecasting and implementing change in organization in such a way as to reduce employee resistance and cost to the organization while at the same time maximizing the effectiveness of the change effort. Change is the process of transforming attitudes, structures, policies, objectives or outputs happening in the units of an organization. Change happens in three levels of cognitive, affective, and behavioural, and the easiest kind of change is change in the cognition (cognitive). Change in the affective level could be related to the rate of interest or love to change. Finally, it is behavioural change which is significantly harder and more time consuming. During performing any changes, there are some inducer and inhibitor forces.

Inducer forces such as motivation and competition which lead to starting and continuing the change and inhibitor forces such as indifference or hostility lead to weakening or eliminating the change and organizations encounter problems such as inability or unwillingness of the employees to learn new techniques because of difficulty or disruption and on the

other hand ineffectiveness of the old techniques. These mentioned cases are respectively the inhibitor and inducer forces. There is a significant relationship between the leadership features and change in the organization, and some managers do not have the adequate skills for making changes.

REVIEW OF LITERATURE

Kazimoto (2013), Analysis of Conflict Management and Leadership for Organizational Change, International Journal of Research in Social Sciences, "Employee conflicts is described as the presence of discord that occurs when goals, interests or values of different individuals or groups are incompatible and frustrate each others' attempt to achieve objectives in an organization".

Ahmad, A (2010), Organizational Commitment versus Organizational Change (3rd ed.), "Changes are always with us but it is not always welcome. Resistance to change is natural and it arises because of habit once established, few of the unknown, conformity to customary expected ways of behavior, misunderstanding of implications of change and individual differences. Unless, it is well managed, he said, it could lead to conflict or even crises. Other causes of organizational conflict are competition for scarce resources, status incongruity, win-lose situations, the need for change, ambiguous rules and communication problems among others".

Robbins (2008), Creating Readiness for Change (1st ed.), "Some types of conflict support the goals of the organization and improve performance; these are functional, constructive forms of conflict, they benefit the organization".

Goldberg (2009), Challenging Resistance to Change, Journal of Applied Behavioral Science, "Conflict remains the most permanent feature that makes humanity convinced that growth and development are predicated on conflicts. Though conflict is generally perceived as something devastating, abnormal, dysfunctional and detestable, yet it could be a precursor of positive change if constructively handled".

Putnam (2011), The development of an attitude towards change (5th ed.), "People who have interactions and have disagreements in main goals, sub-goals and values and they consider others as an obstacle to achieving their objectives".

Shah (2010), Overcoming Resistance to Change (5th ed.), "Change is transformation of an organization between two points in time. Such situation can develop uncertainty, anxiety and ambiguity because of differences in individual life experiences, motivational levels, socio-demographic characteristics, knowledge, attitudes, and behavioral patterns. Change might be small or large but its affects on employee attitude and behavior might be huge".

Shah (2010), Rethinking Resistance and Recognizing Ambivalence: A Multidimensional View of Attitudes toward an Organizational Change (3rd ed.), "Readiness for change is influenced by employees' beliefs of self-efficacy, appropriateness, management support, and personal valence".

Eby (2010), Organizational Change: Review of the theory and research in the 1990's, Journal of Management, "Positive attitudes changes were found to be vital in achieving organizational goals and in succeeding change programmers. The most important factor behind failure of change initiatives is employees' resistance to change, which is closely linked with the development of negative attitudes to change. Employee attitudes toward change can impact their morale, productivity and turnover intentions".

Objective of the study

To study the factors influencing Employee Resistance to Organisational Change.

To measure the significance between employee adjustability to change.

To determine the various differences in implementing Organisational Change.

Research Methodology

The research design used in the study was descriptive in nature as it aims at portraying accurately the characteristics of a particular group or situation. 170 respondents were asked to give their response on a structured questionnaire. The responses were collected through a survey method using convenience sampling. The samples selected for the study were employees working in various automobile companies in Chennai. The questionnaire consists of two parts, the first part deals with the demographic profile of the consumers the second part consist of several statements relating to study employee resistance towards organisational change. The researcher used 5 point Likerts scale to measure the employees' opinion. The study was also supplemented by references from different magazines, literatures, books and publications related to the study.

The data gathered through the survey were analyzed with appropriate tools and techniques.

ANALYSIS AND DISCUSSION

Table Showing the Factors Influencing Attitudes towards Organizational Change

S. No	Particulars	Number of Respondents	Percentage
1	Past change experience	84	49
2	Opportunity/need for personal growth	61	36
3	Communication of the change process	13	8
4	Co-worker's perception	12	7
	Total	170	100

Source: Primary Data

Interpretation: From the above table it is found that 49 percent of the respondents find past change experience, 36 percent of the respondents find opportunity/ need for personal growth, 8 percent of the respondents find communication of the change process and 7 percent of the respondents find co-worker's perception as the factors influencing the employee's attitude towards organizational change.

4.2 Chi-Square Analysis between the Employees' Adjustability to Change and their Agreement that Change is Ambiguous, Tiresome and Disturbs the Smooth Flow of the Organization

Null Hypothesis [H₀]

There is no significant association between the employee's adjustability to change and their agreement that change is ambiguous, tiresome and disturbs the smooth flow of the organization.

Alternate Hypothesis [H₁]

There is a significant association between the employee's adjustability to change and their agreement that change is ambiguous, tiresome and disturbs the smooth flow of the organization.

					Total
		Disagree		Agree	
Never adjusted	Count	5	0	0	5
	Expected Count	2.6	1.4	1.0	5.0
Not sure	Count	5	0	0	5
	Expected Count	2.6	1.4	1.0	5.0
To a smaller extent	Count	38	44	23	105
	Expected Count	55.0	28.4	21.6	105.0
Medium extent	Count	18	2	8	28
	Expected Count	14.7	7.6	5.8	28.0
To a large extent	Count	23	0	4	27
	Expected Count	14.1	7.3	5.6	27.0
Total	Count	89	46	35	170
	Expected Count	89.0	46.0	35.0	170.0

Source: Primary Data

Chi Square Test:

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	42.016 ^a	8	.000
Likelihood Ratio	53.293	8	.000
Linear-by-Linear Association	1.614	1	.204
N of Valid Cases	170		

Source: Primary Data

6 cells (40.0%) have expected count less than 5. The minimum expected count is 1.03.

Inference: Since $0.000 < 0.05$, the alternate hypothesis is accepted that there is a significant association between the employee's adjustability to change and their agreement that change is ambiguous, tiresome and disturbs the smooth flow of the organization.

4.3 Chi-Square Analysis between the Difficulties Faced by the Employees When Organizational Changes are made and the Factors Influencing their Attitude towards Organizational Change

Null Hypothesis [H₀]

There is no significant association between the difficulties faced by the employees when organizational changes are made and the factors influencing their attitude towards organizational change.

Alternate Hypothesis [H₁]

There is a significant association between the difficulties faced by the employees when organizational changes are made and the factors influencing their attitude towards organizational change.

Source: Primary Data

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	30.91	6	.000
Likelihood Ratio Linear-by-Linear Association	6 ^a	6	.000
	33.805		
N of Valid Cases	14.487	1	.000
	170		

Source: Primary Data

4 cells (33.3%) have expected count less than 5. The minimum expected count is 1.91

Inference: Since $0.000 < 0.05$, the alternate hypothesis is accepted that there is a significant association between the difficulties faced by the employees when organizational changes are made and the factors influencing their attitude towards organizational change.

CONCLUSION

The study revealed that the factors that influence Employee resistance towards implementation of any change in the existing process is highly dependent on the Employees Attitude. Hence, managers must exhibit a trust in the workers to contribute in solving organizational problems, which in turn will build trust in management. The door must always be open for individuals to take an active role in improving the organization, allowing for open communication, initiative, and teamwork in problem solving.

It is suggested that managers should understand the difference in individuals hold dissimilar opinions about change. Also, not all employees are outspoken and willing to be honest with their managers. Therefore, managers should have the initiative to interact with employees and keep them informed about any organizational change.

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