

Organizational Change and Scale of Stress among the Employees Working In IT Industries

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Bharath Institute of Higher Education and Research**ABSTRACT**

Organizational change is an important issue in organizations. It is actually a process in which an organization optimizes performance as it works toward its ideal state. Organizational change occurs as a reaction to an ever-changing environment, a response to a current crisis situation, or is triggered by a leader. In many organizations change is taking place at an ever-increasing rate. Globalization of the economy, ever increasing competition, and the rapid pace of technological change may be seen as responsible for bringing about the ever-increasing pace of change in the working environment on a world wide scale. As a result, more and more employees today are faced with changes they never asked for. These continual unasked for changes often give rise to stress reactions in employees, resulting in a number of negative consequences for both the employee and the organization.

Keywords: Changing Environment, Globalization, Technological Change

1. INTRODUCTION

Organizational change is an important issue in organizations. It is actually a process in which an organization optimizes performance as it works toward its ideal state. Organizational change occurs as a reaction to an ever-changing environment, a response to a current crisis situation, or is triggered by a leader. In many organizations change is taking place at an ever-increasing rate. Globalization of the economy, ever increasing competition, and the rapid pace of technological change may be seen as responsible for bringing about the ever-increasing pace of change in the working environment on a world wide scale. As a result, more and more employees today are faced with changes they never asked for. These continual unasked for changes often give rise to stress reactions in employees, resulting in a number of negative consequences for both the employee and the organization.

Since employees invest a large amount of time and effort in acquiring their present skills and capabilities, pressure to change these adaptations to the requirements of their working environment are viewed as infractions on the employee's identity and reality, especially when the changes are forced from without. Employees resist change as it is perceived as threatening their needs for job security, social interaction, current status, competence, or self esteem. However, it is the accompanying psychological cost of the strain imposed on people as they try to adjust to change that forms the main reason for resistance to change. As a result, employees experience work stress in response to this loss or lack of control.

Change requires coping or adaptive responses from the individual. When individuals perceive that they have little or no control over changes or challenges, their stress levels may increase. On the other hand, when individuals feel that control is possible, they view the challenge positively and believe that it can be met. It follows then that individuals would be able to reduce discrepancies between perceived control and lack of control and would therefore be less likely to experience distress. Unless organizations recognize that change may give rise to stress reactions in employees, and as such implement internal organizational measures and conditions that are necessary for effective coping to occur, most change efforts will fail.

CONCEPT OF ORGANIZATIONAL CHANGE

Organizational change implies the creation of imbalances in the existing pattern of situation. Operations and functions for a long time establish structural set up. Members evolve a tentative set of relations with the environment, adjustment with job, working conditions, friends and colleague's etc. change requires individuals to make new adjustments. Hence the fear of adjustment gives rise to the problem of change and resistance to change.

MERITS OF ORGANIZATIONAL CHANGE

Change can assist a business to keep up with industry trends, making it more appealing to promising consumers as well as maintaining present consumers. For instance, one way to make sure that a business does not fall behind when an opponent established and markets a successful new product is by establishing and advertising a related product of its own.

In the process of organization change, employees will be able to acquire new skills, seek new opportunities and exercise their creativity in ways that eventually favors the organization through extra ideas and increased commitment. Knowledge transfer takes place during the process when people have idiosyncratic information that is valuable to other people, and thus learning takes place during the change.

In addition, the capability to clasp change can assist employees in a business by developing new opportunities. For instance, a worker who actively applies himself/ herself to learning the new office technology can also train others who are more uncertain. This leadership role has caused the employee to position himself/ herself as a person who has the ability to guide others and is capable of assuming extra responsibilities, making her a credible candidate for approaching promotion.

Furthermore, businesses that are capable at handling or even embracing change can promote an environment that stimulates innovation. Employees will be more willing to think in a more creative manner if their ideas are acknowledge by a manager or the business owner. By stimulating employees to think in a more creative manner will enable a business grow in long run. Either a good product or a marketing idea will enables a small business to achieve it success.

Finally, an erudite or personnel change in an organization can result in employee attitudes and morale being positive. When there is a change in human resources philosophy, it enables a much relaxed work ambience, for instance, dress down day on Friday; this kind of idea will definitely make the employees overjoyed. When an inflexible manager is substitute with one who always

listens to employees' ideas and feedbacks, employees will feel that their efforts are acknowledged and that they will give in their best regarding their job functions.

REASONS FOR ORGANIZATIONAL CHANGE

Like human beings, organizations are also open systems. Therefore, the same reasons also apply to organizational changes. Change has become the norm in most organizations. There are various forces for change in organizations. Some of these are external, arising from outside the organization, whereas others are internal, arising from sources within the company.

TYPES OF ORGANIZATIONAL CHANGE

There are various areas within the organizational domain where changes can be brought about for operational enhancement of the organization as well as desirable behavior of members. The various types of changes that can have considerable impact on the organizational culture are:

- **Strategic Change:** This is a change in the very mission of the organization. A single mission may have to be changed to multiple missions. For example, when British Airways acquired a major part of U.S. Air, the culture of the entire organization had to be modified to accommodate various aspects of American organizational culture into the British organizational culture.
- **Structural Change:** Decentralized operations and participative management style have seen more recent trends in the organizational structure. Since these structural changes shift the authority and responsibility to generally lower level management, it has a major impact on an organization's social climate and members have to be prepared to develop a team spirit as well as acquire skills to make on-the-spot decisions at points of operations.
- **Process-oriented Change:** These changes relate to technological developments, information processing, automation and use of robotics in the manufacturing operations. This means replacing or retraining personnel, heavy capital equipment investment and operational changes. This would affect the organizational culture and hence changes in the behavior patterns of members.
- **People-oriented Change:** Even though, any organizational change affects people in some form, it is important that the behavior and attitudes of the members be predictable and in accordance with the expectations of the organization and be consistent with the mission and policies of the enterprise. These changes are directed towards performance improvement, group cohesion, dedication and loyalty to the organization as well as developing a sense of self-actualization among the members. These can be developed by closer interaction with employees and by special behavioral training and modification sessions.

2. STATEMENT OF THE PROBLEM

Employees in IT industries may experience increased levels of workplace stress if they perceive that they are unable to cope with the demands made on them as a result of the

organizational changes implemented. The employees perception with regard to his or her ability to cope with change is moderated both by the support provided by the organization during the period of change and the magnitude or type of organizational change. While individual differences in employees, because of technological, biological and psychological attributes, may also influence reactions to change, these factors will be expressly excluded from this study.

Although it could be argued that organizational changes are beneficial to both the organization and its remaining employees, the concern needs to be raised with regard to the effect of these numerous changes on the stress levels of these employees. Based on the assumption that increased stress levels could indicate ineffective coping behavior, stress levels would need to be monitored in order to assess whether or not employees are coping with these numerous changes.

3. OBJECTIVES OF THE STUDY

- To examine IT industries undergo various changes and level of stress among the employees in the companies.
- To evaluate measures to overcome stress faced by the employees due to organizational change.

4. REVIEW OF LITERATURE

With the need to keep up with swiftly changing technology in the workplace, many people may experience stress or overload as a result of inadequate training and preparation in order to cope with new innovations. **Anderson, D. & Anderson, L. (2012)** found that business executives and managers often experience strain when attempting to keep up with new technology, and **Gill, R. (2013)** noted that changes in employee job satisfaction and physical health were related to the introduction of new technology in IT sector.

According to **Armstrong-Strassen, M., Cameron, S., & Horsburgh, M. (2009)** organizations are often forced to respond to cultural, social, or political changes in the general environment. Organizations may be required to adjust their culture and strategy in order to better meet demographic changes in their customer base and staff compliment. Further, organizations would need to change and re-align their operating policies and procedures as new governments change labour, financial, and other legislation.

The above viewpoint is supported by **Karasek, Jr., R.A. (2013)** who argues that change is simply a normal response to internal and external forces, rather than a departure from the norm. Incremental change occurs in organizations on a continuous basis, and is normally interspersed by periods of more dramatic change.

5. METHODOLOGY

This is an analytical study based mainly on the primary data collected through scientifically developed interview schedule. After consulting the experts in this sample area, interview schedule

was constructed by the researcher himself. The interview schedule was presented to employees of major IT industries in Chennai City. Then the same was modified on the basis of pre-tested result. The interview schedule was personally administered on a sample size of 200, chosen on a convenient basis from among five major IT companies in Chennai city. Tata Consultancy Services Limited, Infosys, HCL Technologies, Hexaware, Technologies, and Oracle Financial Services Software Limited,.

SAMPLE DESIGN

The sample size of 200 is divided equally as 40 employees from each of five IT companies in Chennai City. As a representation, questionnaires were circulated among the IT professionals in those five IT Companies.

DATA PROCESSING

After the collection of primary data from employees the researcher thoroughly verified the data and they were edited and coded properly to make them ready for analysis. Classification made at the main tabulation included age, gender, educational qualification, occupation, Income and level of stress due to organizational changes.

TOOLS OF ANALYSIS

This study is concerned with measuring the stress level due to organizational changes using twenty four components. Organizational change and level of stress are measured with the following five point's scale such as agree, strongly agree, neither nor, disagree and strongly disagree.

In the five point Likert scales the points of 5, 4, 3, 2 and 1 are assigned in proper order to the several expressions, the scale being determined by the favourable statement respectively. The researcher has used quantitative techniques such as correlation and 't' test for the analysis of data.

6. ANALYSIS AND DISCUSSION

The purpose of analyzing data is to obtain usable and useful information. The analysis, irrespective of whether the data is qualitative or quantitative, may describe and summarize the data, identify relationships between variables, compare variables, identify the difference between variables, and forecast outcomes. The present study is concerned with the following tests such as correlations analysis, and group statistics to prove the relationship between many variables.

TABLE 1
CORRELATION – AGE AND LEVEL OF STRESS AMONG THE EMPLOYEES

		AGE	STRESS
Age	Pearson Correlation	1	-0.176*
	Sig. (2-tailed)		0.013
	N	200	200
Stress	Pearson Correlation	-0.176*	1
	Sig. (2-tailed)	0.013	

	N	200	200
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***Correlation is significant at the 0.05 level (2-tailed)**

Table No.1 reveals that the r value is -0.176 and p value at 5% level of significance is 0.013. As the p value is lesser than 0.05, there is insufficient evidence to accept the null hypothesis (There is no correlation between Age and Level of Stress).

Therefore it is inferred that the correlation between Age and level of Stress is statistically significant. However, as the r value is 0.176, the correlation between the two is very low.

TABLE 2 CORRELATION – INCOME AND LEVEL OF STRESS

		INCOME	STRESS
Income	Pearson Correlation	1	-0.052
	Sig. (2-tailed)		0.468
	N	200	200
Stress	Pearson Correlation	-0.052	1
	Sig. (2-tailed)	0.468	
	N	200	200

Table No.2 reveals that the r value is -0.052 and p value at 5% level of significance is 0.468. As the p value is greater than 0.05, there is sufficient evidence to accept the null hypothesis (There is no correlation between income and level of stress).

Therefore it is inferred that there is no correlation between Income and level of Stress.

TABLE 3 CORRELATION – MEASURES TO OVERCOME STRESS AND LEVEL OF STRESS AMONG THE EMPLOYEES DUE TO ORGANIZATIONAL CHANGES

		MEASURES TO OVERCOME STRESS	LEVEL OF STRESS
Measures To Overcome Stress	Pearson Correlation	1	-0.085
	Sig. (2-tailed)		0.229
	N	200	200
Level of Stress	Pearson Correlation	-0.085	1
	Sig. (2-tailed)	0.229	
	N	200	200

Table No.3 reveals that the r value is -0.085 and p value at 5% level of significance is 0.229. As the p value is greater than 0.05, there is sufficient evidence to accept the null hypothesis (There is no correlation between measures to overcome stress and level of stress due to organizational

changes).Therefore it is inferred that there is no correlation between measures to overcome stress and level of stress due to organizational changes.

TABLE 4 GROUP STATISTICS

(In order to ascertain that there is difference between level of stress due to organizational change and measure to overcome stress, the researcher employed ‘t’-test to verify the same and the results are presented below)

S.NO	AVERAGE SCORE OF ORGANIZATIONAL CHANGES AND SCALE OF STRESS	NO	MEAN	STD. DEVIATION	STD.ERROR MEAN
1	Tata Consultancy Services Limited	40	1.5	.102	.0102
2	Infosys	40	1.35	.105	.0105
3	HCL Technologies	40	1.22	.100	.0100
4	Hexaware	40	1.12	.101	.0101
5	Oracle Financial Services Software Limited	40	1.33	.102	.0102

Source: Computed Value

From the above table it is seen that the mean score is 1.5 for Tata Consultancy Services Limited, 1.35 for Infosys, 1.22 for HCL Technologies, 1.12 for Hexaware and 1.33 for Oracle Financial Services Software Limited. Though the employees were agreed (score between 3 and 4) with the level of stress among the employees and measures to overcome stress due to organizational changes.

7. SUGGESTIONS AND CONCLUSION

- The need for change should be explained to all the employees concerned because change affects all and many benefits from it. It is, therefore, necessary that all concerned should be taken into confidence through making discussions on the change to be implemented. The efforts should be made to convince all in favour of change.
- In the undertakings where there are unions, the change to be implemented must be discussed with the trade union people and reach the agreement.
- Implementing a change is a planned activity. Plans must be chalked out to implement change. A consensus should reach for need to change. It will facilitate smooth sailing because employees are prepared to welcome change.
- The change brings along with it the increased responsibility and higher work standard and quality. This increases the workload. It is therefore necessary to raise the salary and wages of the employees and provide all the facilities so that they feel at ease with the change and without realizing the burden of it.
- Change aggrieves many. The difficulties should be understood properly and to solve them. The unresolved disputes may be submitted to arbitration and the decision thereof be made binding on the parties concerned. As far as possible try to avoid conflict and nip it in the bud before it raises its head.

- Change should be in tune with the growth of the undertaking. The time of expansion of undertaking and that of change must be the same so that if change causing retrenchment then the retrenched employees may be absorbed in another plant or they may find jobs elsewhere without further loss.
- Implementation of change increases the responsibility of Human Resource Department as change does not occur only in technology and marketing strategy alone but also in human behaviour, attitudes ethos, cultural and social relationships which affect organizational climate. So H R Department has to take a note of it and be prepared to alter the H R strategy. It is essential because change promises better future and accelerating growth and to be in the race with others.
- Make an analysis of resistance to change and make all out efforts to remove fears from the minds of the employees. Management should face the criticism boldly and try to remove the grievances and illusions if any. Most of the criticisms are unfounded and evoke from one or other illusions. But while doing so management must carefully and patiently listen to the suggestions, arguments against and in favour from the employees and take a note of their impressions and resentments and try to accommodate the valuable suggestions while planning and implementing change.
- Make the employees accessible with the process of change so that they get convinced and start taking interests in the process. It will prepare them to accept change.

Hence, The Present study provided empirical support for the theorized notion that organizational change initiatives lead to increased levels of stress among employees. Further, the results supported theoretical and research findings which propose that job security, career advancement, and work overload are all salient sources of stress in an organizational change setting that involves a merger, restructure and downswings activities.

Finally, the results of this study demonstrated that the implementation of a number of contemporary change management strategies did not fully assist in improving the coping ability of employees in this specific change setting. As a result it was recommended that future change management strategies or more specifically coping strategies should include a more humanistic and psychologically supportive approach.

8. REFERENCES

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