Employee Resistance Towards Organizational Change
*Lavanya Yeturi **Mrs. Jikku Susan Kurian

Abstract:

The difficulties faced by the organizations towards employee resistance to organizational change are well known around the globe. The present study is an attempt to verify whether, some of the well-known factors believed to be causing employee resistance towards organizational change stands relevant in present scenario. The descriptive survey was utilized to bring out the factors leading to resistance in the employees. Results of the study confirm that the resistance of employees is influenced by these factors. The study tackles the linkage between employee’s attitudes towards organizational commitment and change, which is one of the most significant constructs in organizational behavior. The present study, investigates and evaluates the attitudes of the employees towards organizational commitment and change.

Key words: Organizational Change, Resistance to Change, Employee individual response.

Introduction

In Today's Economy, “Change” is all-pervasive in Organizations. It happens continuously, and often at rapid speed. Because Change has become an everyday part of Organizational dynamics, employees who resist change can actually cripple a change in organization. An organization must develop adaptability to change otherwise it will either be left behind or be swept away by the forces of change. There are many forces which are acting on the organization which make change not only desirable but also inevitable. These forces include technology, market forces and general socioeconomic environments. These are the external forces which necessitate change in internal organizational variables like machinery, equipment and processes, policies and procedures, structural relationships etc.

*MBA Student, KLU Business School, K L University, Vaddeswaram, Guntur, Andhra Pradesh, India.
**Assistant professor, KLU Business School, K L University, Vaddeswaram, Guntur, Andhra Pradesh, India.

Definitions:

Organizational Change:
The term “Organizational Change” refers to any alteration which occurs in the overall work environment of an organization. It implies alterations of structural relationships and role of people in an organization.

Change Management:
Change management is the process, and it is used tools and techniques to manage the people-side of change to achieve the required business outcome. It incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change.

Resistance:
Some of the Change-Management Experts define Resistance as below:

- Alvin Zander (1950) an early researcher on the subject, defined “Resistance” to change as "Behavior which is intended to protect an individual from the effects of real or imagined change".
- Zaltman & Duncan (1977) defines “Resistance” as "Any conduct that serves to maintain the status quo in the face of pressure to alter the status quo".
- In the view of Folger & Skarlicki “Resistance” is defined as "Employee behavior that seeks to challenge, disrupt, or invert prevailing assumptions, discourses, and power relations". Coetsee (1999) states "Any management's ability to achieve maximum benefits from change depends in part of how effectively they create and maintain a climate that minimizes resistant behavior."
Different Changes Driving and Resisting “Change”

One of the most baffling and recalcitrant of the problems which business executives face is employee resistance to change. Such resistance may take a number of forms—persistent reduction in output, increase in the number of “quilts” and requests for transfer, chronic quarrels, sullen hostility, wildcat or slowdown strikes, and, of course, the expression of a lot of pseudo logical reasons why the change will not work. Even the more petty forms of this resistance can be troublesome.

Objectives Of The Study

The specific objectives of the study are:
1. To verify how the length of experience is leading employees to resist the organizational change.
2. To examine how Integrating changes will affect the employees towards organizational changes.
3. To know Employees perception towards their individual growth to Organizational change.
4. To know the Employee’s opinion about organization effectiveness towards organizational change.

Review of Literature:

Organizational Change:

Change is the process of analyzing the past to elicit the present actions required for the future (Kanter et al., 1992). Change variables may be defined in a series of interrelating elements (actions, reactions and interactions) (Soparnot, 2011). Organizational change is at the forefront of the academic and managerial environment (Pettigrew et al., 2001). It showed a diversity of the organization in its environment, and also the interaction of the technical and human activities that had interrelated dimensions in the organization (Cao et al., 2000). It is important to mention that many organizations deal with organizational change on a regular basis.“Organizations are goal-oriented, purposive entities, and their effectiveness is pursuing those goals influences the quality of our lives and even our ability to survive” (Rainey, 2003).

Justin Batch, MBA, Florida State College at Jacksonville, USA,Mario E. Castaneda, EdD, California State University at Los Angeles, USA, James E. Farah, DBA, JD, Jacksonville University, USA showed that As change management becomes an essential ingredient of organizations performance, the body of literature describing successful and unsuccessful change management initiatives continues to
A crucial aspect in the context of change management research is the issue of resistance. Organizations should be aware of the human element and its implications for the success of all change management decisions. The success of change management depends upon the organizational structure, availability of resources, vision and mission of the organization, and employees’ willingness to work towards the change-related goals (Brisson-Banks, 2010). Managers who ignore this last element guarantee themselves an uphill battle, if not a sure failure.

Ruth Knight MBus proposed that Nonprofit organizations, members of the Third Sector, play an important role in addressing a broad spectrum of social issues and causes to benefit individuals, communities and society. In Australia, the Third Sector is growing and experiencing unprecedented change as nonprofit organizations pursue their mission, organizational excellence and sustainability (Productivity Commission, 2010). A concern for the sector is the lack of evidence-based research regarding change readiness, organizational culture and employee retention.

Research in the private and public sectors suggests that an organization’s performance in these areas influence its ability to manage change and promote organizational sustainability (e.g. Linnenluecke & Griffiths, 2010). However, very little comparable research has been conducted with nonprofit human service organizations and consequently, there is an urgent need to ensure that theories of change readiness and organizational culture are relevant and current for these Third Sector organizations.

This research collected data from a large sample of employees working in Australian nonprofit organizations that provide human services. Two studies were conducted using a range of quantitative analysis techniques. Study 1 tested and refined the instrument developed by Holt, Armenakis, Field, and Harris (2007a) to assess employee change readiness and also tested, validated and extended a popular culture assessment instrument, the Competing Values Framework (CVF) (Quinn & Rohrbaugh, 1983).

The analysis examined the traditional CVF values and included additional values considered unique to the culture of nonprofit organizations, thus making a significant contribution to culture theory and related literature. Study 2a then tested theoretically derived hypotheses to examine the CVF’s underlying assumptions about the relationship between perceptions of organizational cultures, change readiness, job satisfaction and intentions to leave.

**RESEARCH METHODOLOGY**

**Secondary Data:**

This paper is developed using secondary data collected and analyzed from various sources. It refers to data that was collected by someone other than the user. Common sources of secondary data for social science include Journals, censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes. Secondary data analysis can save time that would otherwise be spent collecting data and, particularly in the case of quantitative data, can provide larger and higher-quality databases that would be unfeasible for any individual researcher to collect on their own.

The output of this study contributes to knowledge and literature in the subject under investigation. It is immensely useful as a source of reference to researchers, academics, students, policy makers, marketing professionals and other stakeholders interested in how employee resistance to change affects the business world in developing countries.

Different Methods and techniques used in this study are shown below:

- **Methods of Data Collection:**

  The data collected for the study is secondary data. The problems in this research could be looked at different levels including the organization itself, the kind of employees hired and the management approach being used in managing the organization and change. The research being undertaken seeks to investigate what could be the root cause of the problem and to make recommendations in addressing the various side of the problem.
For easy understanding and interpretation of data from the study, data collected from the field were summarized and presented in tables showing frequencies and percentage counts and equations.

**Limitations Of Study**

Limitations of the study are discussed below. These limitations are confined to this study. The Limitations are as follows:

- The study is limited to Secondary Data, hence the conclusions are assumptions based on the available readings.
- Time, data and research area were the major limitations of this study.
- The main limitations of this study are constraints of resources, access, and time. The finance and material resource needed for a sample size for this study is inadequate.
- In addition, the researcher has to combine academic work with research. Moreover, costs in terms of printing, photocopying, binding as well as opportunity cost incurred without the requisite bursary from government.
- The longitudinal importance of the size of the Organization to the relationship between managers and employees when organizational change occurs should also be studied.
- Also need to investigate the relationship between Organizational change and burnout of Employees.

Despite the above limitations, added to financial constraints, the researchers put their utmost best to make this study a success.

**Scope Of Study**

The study is limited to employee resistance to Business Changes as a case study. Hence the result will not be generalized but its findings will be placed in the relevant context of the individual financial organizations studied and other closely related organizations. The inputs from their environment transform them through various processes and export outputs to the environment. Pressures for change are created both by external and internal forces. The external forces includes Technology, Market conditions, Social changes, Political forces and the internal forces are Changes in managerial personnel, Changes in operative personnel, Deficiencies in existing structure.

This Research study discusses various business changes related to Organizational improvement and causes of employee resistance to change in organizations. This study also presents a brief summary of the main findings, conclusions with regards to the new knowledge derived from the research and recommendations for improving on future Business process reengineering implementation as well measures to minimize or eliminate causes of employee resistance to change during such implementations.

Finally, this study also discusses their implications of findings for future research purposes.

**Hypothesis of the study:**

H₁: There is a significant relationship between Employee experiences towards resistance of Organizational change.

H₂: There is a significant relation between Organizational performance & growth towards integrating changes.

H₃: There is a significant relation between Employee Individual growth to organizational change.

H₄: There is a significant relation between Effectiveness of the organization to change in the organization

**Inferential Data Analysis**
Inferential data analysis deals with generalizations, which is also called as testing hypothesis. For the present study, the testing hypothesis being stated in chapter1 are tested here,

H1: There is a significant relationship between Employee experiences towards resistance of Organizational change.

H2: There is a significant relation between Organizational performance & growth towards integrating changes.

H3: There is a significant relation between Employee Individual growth to organizational change.

H4: There is a significant relation between Effectiveness of the organization to change in the organization.

**Testing Of Research Hypotheses**

A) H0: There is no significant relationship between Employee experience and resistance towards Organizational change.

H1: There is a significant relationship between Employee experience and resistance towards Organizational change.

**Table 1: Crosstab**

<table>
<thead>
<tr>
<th>How many years of experience do you have?</th>
<th>what is your designation in organization</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Department Head</td>
<td>Manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-2 years</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>2-5 years</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>5-8 years</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>above 8 years</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>34</td>
</tr>
</tbody>
</table>

**Table 2: Chi-Square Tests**

<table>
<thead>
<tr>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>34.325²</td>
<td>12</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>36.850</td>
<td>12</td>
</tr>
<tr>
<td>No. of Valid Cases</td>
<td>104</td>
<td></td>
</tr>
</tbody>
</table>

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is 0.35.

The Resulting value is less than 0.35, so H0 is rejected and H1 is accepted.

The chi square test (table) shows that there is significant relation between Resistance and Experience of the employee as expected count is less than 0.05. Thus, we may conclude that - “There is a relationship between Employee experience and resistance towards Organizational change.

B) H0: There is no significant relation between Organizational performance & Growth and integrating changes.
H2: There is a significant relation between Organizational performance & Growth and integrating changes.

Table 3: Crosstab

<table>
<thead>
<tr>
<th>1. What is your designation in organization?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Head</td>
<td>Manager</td>
</tr>
<tr>
<td>Agree</td>
<td>2</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 4: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>25.687</td>
<td>16</td>
<td>.059</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>26.372</td>
<td>16</td>
<td>.049</td>
</tr>
<tr>
<td>No. of Valid Cases</td>
<td>104</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .09.
The resulting value is less than 0.05, so H0 rejected and H2 is accepted.
The chi square test (table) shows that there is a significant relation between Organizational performance & growth towards integrating changes of the organization expected count less than 5. Thus, we may conclude that- “There is a significant relation between Organizational performance & growth and integrating changes”.

C) H0: There is no significant relation between Employee’s Individual growth and organizational change.

H3: There is a significant relation between Employee’s Individual growth and organizational change.

Table 5: Crosstab

<table>
<thead>
<tr>
<th></th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
</tbody>
</table>
13. Is organizational changes affecting your individual growth negatively?

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>11</td>
<td>7</td>
<td>18</td>
<td>5</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>Disagree</td>
<td>18</td>
<td>21</td>
<td>39</td>
<td>7</td>
<td>5</td>
<td>64</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>27</td>
<td>35</td>
<td>4</td>
<td>4</td>
<td>40</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>64</td>
<td>104</td>
<td>18</td>
<td>19</td>
<td>104</td>
</tr>
</tbody>
</table>

Table 6: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>9.486</td>
<td>4</td>
<td>.050</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>9.687</td>
<td>4</td>
<td>.046</td>
</tr>
</tbody>
</table>

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.92.

The Resulting value is less than 0.05, so H0 rejected and H3 is accepted.

The chi square test (table) shows that there is a significant relation between Employee Individual growth to organizational change is expected count less than 5. Thus, we may conclude that—“There is a relation between Employee Individual growth and organizational change”.

D) H0: There is no significant relation between Employee’s Individual growth and organizational change.

H3: There is a significant relation between Employee’s Individual growth and organizational change.

Table 7: Crosstab

<table>
<thead>
<tr>
<th></th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>13. Is organizational changes affecting your individual growth negatively?</td>
<td>Agree</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>64</td>
</tr>
</tbody>
</table>

Table 8: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>9.486</td>
<td>4</td>
<td>.050</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------</td>
<td>----</td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>9.687</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>No of Valid Cases</td>
<td>104</td>
<td>.046</td>
<td></td>
</tr>
</tbody>
</table>

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.92.

**Result:** The Resulting value is less than 0.05, so H0 rejected and H3 is accepted.

**Interpretation:** The chi square test (table) shows that there is a significant relation between Employee Individual growth to organizational change is expected count less than 5. Thus, we may conclude that-“There is a relation between Employee Individual growth and organizational change”.

**Findings**

Based on the analysis of our sample data, the following findings were made:
1. Employees resist organizational change because they are unable to understand the nature of change.
2. Employees resist change because they are not consulted before making changes.
3. Communication should be free flowing and vibrant to make organizational change smooth and resistant free.
4. Employees should be involved in decision making process so as to reduce the employee resistance towards organizational change.
5. Trust plays a major role in employee resistance to organizational change.
6. Root cause of the problem and to make recommendations in addressing the various side of the problem.
7. Managers addressing individual concerns employees might have about job security, wages and loss of control.
8. Majority employees are merely satisfied with the relationship with supervisor and dissatisfied with decision making process and also towards the overcome to resistance.
9. Despite these limitations, study represents a unique lens through which to view employees reactions to change that should not be disregarded.
10. The finding reveals that there are differences among the three groups of employees regarding their evaluative attitudes towards organizational commitment and change.
11. This study showed that there is an association between organizational commitment and change.
12. Leader-Member Exchange is an aspect of communication that impacts employees’ resistance is the leader-member exchange (LMX) relationship, or the quality of relationships between employees and their supervisors.
13. The type of Change decisions impacts the resulting influence on employees’ reactions to the change initiative.
14. Change agents fail to introduce new factors to elicit employee acceptance of change, the intensity of the employees acceptance of change dwindles and they begin to resist the change.
15. Change initiatives are dynamic, and factors continually arise that affect employee’s reactions. As a result, employees’ reactions are consistently fluctuating and never stagnant.
16. It is even expected that even employees who are very accepting of change exhibit resistance as a result of identifying negative aspects of the change.
17. **Negative attitude:** People with a Negative attitude toward the organization, the job, and/or the boss are very apt to resent or resist change, no matter what it is. This is one of the reasons why high morale is so important.
18. **Perception of criticism:** Whether or not the change is actually criticizing the things that were previously done or the way in which they were done, people may look upon the change as a personal criticism.
19. **Creation of burden:** Some changes add more work and, with it, confusion, mistakes, and other negative results. The initial stages of automation and computerization for example, can result in additional problems at first.
20. **Challenge to authority**: Some people are testing their power and influence by simply refusing to implement a change.

Organizational commitment is one of the important elements that have impact on organizational change. It plays an important role in employee’s acceptance of change. It will result in willingness to accept organizational change. In sum, employees with high organizational commitment are more willing to exert more effort in a change project. Therefore, it is more likely to develop positive attitudes towards organizational change.

**Suggestions:**

1. **Education & Communication**: One of the best ways to overcome resistance to change is to educate people about the change effort beforehand. Up-front communication and education helps employees see the logic in the change effort. This reduces unfounded and incorrect rumours concerning the effects of change in the organization.

2. **Participation & Involvement**: When employees are involved in the change effort they are more likely to buy into change rather than resist it. This approach is likely to lower resistance more so than merely hoping people will acquiesce to change.

3. **Facilitation & Support**: Managers can head-off potential resistance by being supportive of employees during difficult times. Managerial support helps employees deal with fear and anxiety during a transition period. This approach is concerned with provision of special training, counselling, time off work.

4. **Negotiation and Agreement**: Managers can combat resistance by offering incentives to employees not to resist change. This can be done by allowing change resisters to veto elements of change that are threatening, or change resisters can be offered incentives to go elsewhere in the company in order to avoid having to experience the change effort. This approach will be appropriate where those resisting changes are in a position of power.

5. Organization gives an assurance to the employees that organizational change doesn’t affect individual growth of an employee in negative way.

6. Organization must communicate to employees how much necessary the change made to be an effective Organization

7. Organization should provide individual information to employees about need of change in the Organization.

8. To avoid Employee resistance, Organization must implement the change correctly.

9. While Decision making, regarding the Organizational change it should consider all the employee’s involvement.

10. Organization must communicate directly to the managers and workers about Organizational change which should happen in the Organization.

**Conclusion**

This project work titled “Employee Resistance towards Organizational Change” to verify some of the empirically tested factors believed to be responsible for resistance towards change of at the organization by descriptive survey. Organizational change is necessary for businesses to remain competitive in today’s market. To successfully implement change initiatives, change agents must understand that the role of employees is highly important, and employees’ reactions to change are influenced by a number of factors, including employees’ emotions and cognitions, communication, and participation in decision making. Organization strives to achieve equilibrium in its social structure. By equilibrium we mean that people learn to expect various environment relationships within their environment. Resistance to change in the work place is not new. The success of major organizational change is generally determined by how good resistance is managed and seeking the various ways to make the organization more effective in meeting all its goals.

**References**

2. Derya Yılmaz a and Gökhan Kılıçoğlu b -2013 (c) EJRE: Resistance to change and ways of reducing resistance in educational organizations: International Association of Social Science Research – IASSR


4. Majed M. El-Farra and Mohammed B. Badawi - Faculty of Commerce, The Islamic University, Gaza Strip, Palestin - Employee attitudes toward organizational change in the Coastal Municipalities Water Utility in the Gaza Strip; EuroMed Journal of Business

5. Mr.A.Senthilnathan ; Miss. A.Ramya – April 2013; A Study on Employees Resistance Towards Organisational Change with Special Reference to Steel Manufacturing Industries in Coimbatore; ISSN 2249 555x

6. Akankshi singh Dr.R.P.Gupta -A Research paper on the Employees Attitude towards organizational Change; IOSR Journal of Dental and Medical Sciences (IOSR-JDMS)

7. V. Swarnalatha - January (2014): A Study on Employee Resistance towards Organizational Change with Special Reference towards Prosper Exports, Tirupur, India; ISSN 2319–1171

8. Wayne H. Bovey & Andrew Hede - Received September 2000 Revised May 2001 Accepted May 2001 - Resistance to organisational change: the role of defence mechanisms; Journal of Managerial Psychology

9. Dennis G. Erwin & Andrew N. Garman - Resistance to organizational change: linking research and practice ; Resistance to organizational change

Organisational Change: IZA DP No. 8441