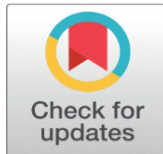
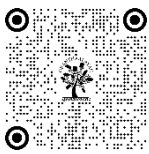


# THE INFLUENCE OF CHANGE MANAGEMENT ON ORGANIZATIONAL DYNAMICS AND EMPLOYEE BEHAVIOR

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## ABSTRACT

For an organization to survive, it must constantly compete for scarce resources in a changing and dynamic environment. We don't just focus on change, we seek change. Transformation means a step from one form to another. The thought of replacing or changing strikes fear into people's hearts. If changes are not well communicated within an organization, it will be difficult to implement the changes into action. People see it as continuous change that requires adjustment or adjustment. Presented to an organization to make structural adjustments, programs, projects or solutions to improve performance. The research carried out shows the importance of change management communication in an organization, fundamental to the success of the organization. There are many change management factors such as personnel, leadership, training and development, compensation and recognition, culture, policy and information systems that affect the success of an organization and must be considered when planning the management of organizational change.

**Keywords:** Change Management, Organization, Training and Development

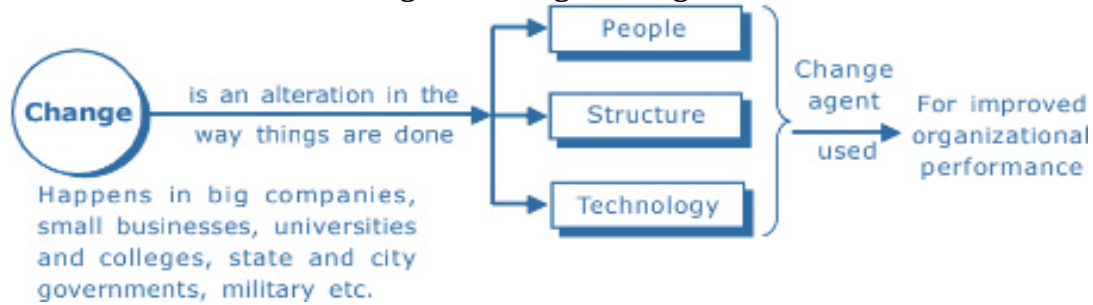
## 1. INTRODUCTION

Many organizations today are confronted with the challenge of establishing relevance in a market, which ultimately leads to success (Van den Ven, 2005). The task at hand for leadership is to bring together the most relevant skills that are essential for driving change. They create an environment where change can be effectively implemented (Kemp & Low, 2008). These organizations operating in a competitive and uncertain environment face the test of responding to changes in consumer needs, technology advancements, and competition. Adapting to these changes has proven to be frustrating for employees (Callan, 1993; Terry & Jimmieson, 2003). Supporting this statement, the Chartered Institute of Personnel and Development (CIPD, 2011) has demonstrated that 60% of change initiatives fail due to reasons such as job pressure and stress resulting from employees' negative response to change (Jones et al, 2008; Pech & Oakley, 2005).

Planned change is an essential introduction for an organization. It demonstrates a proper understanding of the need for change and effective communication with the people involved. The purpose is to positively influence employee behavior towards change and enhance the organization's ability to adapt to changes in the new environment. Introducing change is not a simple task. People resist it for various reasons. Therefore, understanding the management of change is crucial from an organizational perspective. Change is often referred to as the law of life. It is constant, inevitable, and consistent. In every aspect of human life, we witness numerous changes. The uncertainty and complexity of businesses, driven by

growing competition and customer expectations, compel organizations to introduce changes. The role of managers is becoming increasingly difficult and challenging. When change is introduced, it is natural for human beings to resist it.

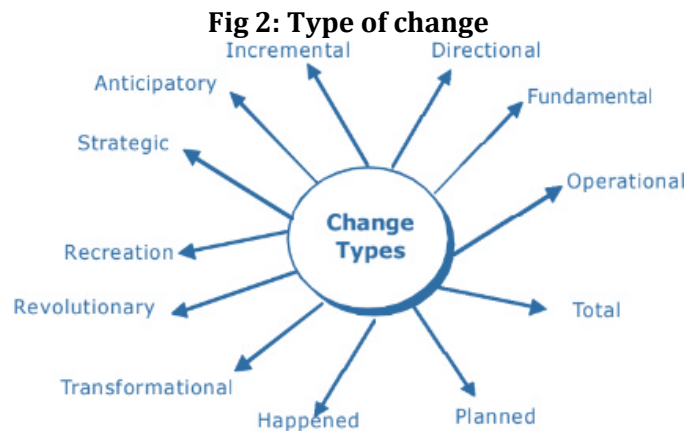
**Fig 1: Meaning of change**



### Types of changes:

1. **Directional change:** Directional change is necessary in situations where there is intense competition, an unsuccessful business strategy, or regulatory shifts in government policy and control. This type of change becomes crucial for an organization when it is either developing a new strategy or implementing its existing one. Directional change is supported by various activities such as research and development, competitive analysis, information management, and effective management control systems.
2. **Fundamental transformation:** This entails a reevaluation and redefinition of the organization's existing purpose or mission. Such a transformation may be prompted by various factors, including:
  - Significant shifts in the business landscape
  - Shortcomings in the current corporate leadership
  - Declining revenue
  - Issues with employee morale.
3. **Operational change:** Operational change becomes necessary for an organization in various scenarios. Firstly, when there is a need to enhance the quality, quantity, timeliness, and unit operation cost of the products or services being developed. Secondly, when the organization aims to improve the performance of its existing operations while maintaining its goals intact. The activities involved in operational change encompass several aspects. These include the introduction of new technology to streamline processes, re-engineering work processes to optimize efficiency, implementing quality management practices, improving the distribution and delivery of products, and enhancing interdepartmental coordination. These initiatives collectively contribute to the overall operational improvement of the organization.
4. **The Total transformation** involves the creation of a fresh perspective, leading to a successful turnaround. It can be likened to a radical surgery performed on the current system.
5. **Incremental change** refers to making gradual and adaptive changes at the micro-level within an organization. These changes focus on units, subunits, and components, and are aimed at setting the stage for larger change processes. By implementing small changes, the system is guided slowly in the right direction. If incremental change fails, it poses less harm to the overall system compared to unsuccessful large-scale change. Some examples of incremental change include introducing new technology, products, or services, building teams, enhancing employees' communication skills and technical expertise, modifying incentives, improving employee welfare measures, and restructuring the organization.
6. **Planned change** refers to a deliberate alteration in operations that is implemented in response to both internal and external pressures, such as downsizing. To endure, this type of change requires support at the system and subsystem levels, encompassing both technological and social aspects.
7. **Happened change:** This phenomenon is a result of external factors and is characterized by its unpredictability. It is beyond human control and occurs naturally. When it does happen, it introduces an uncertain future state. For instance, an example of such a change is currency devaluation.
8. **Transformational change** refers to a comprehensive or significant alteration within an organization. This change can manifest in various ways, such as:
  - Changes in the organization's size and complexity
  - Alterations in the ownership of systems and structures

- Modifications in fundamental assumptions, culture, and technology  
For instance, transformational change can occur due to shifts in a product's life cycle, conflicts between union and management, a transition from product-driven to technology-driven approaches, automation or robotics-induced changes in manufacturing processes, and shifts in an organization's norms and culture (often referred to as a cultural revolution). However, transformational change is not immediate; it requires time. It only takes place when individuals recognize their discomfort with the current situation and acknowledge the need for a change.
- 9. Revolutionary transformation: These are sudden alterations in the strategy and structure of the organization.
- 10. Recreation: Transforming the existing framework to construct a fresh one to not only enhance, but also diverge (metamorphosis). This process entails revamping the fundamental capabilities of an organization, encompassing its designs, structure, functions, and people skills.
- 11. Strategic change: refers to a transformation that encompasses all or most of an organization's complements, such as altering the management style within the organization.
- 12. Anticipatory change: Modifications implemented in anticipation of an upcoming occurrence or a sequence of occurrences. Enterprises have the option to attune or readjust themselves to forthcoming requirements. This would encompass any of the subsequent actions:
  - Implementing gradual adjustments in preparation for external circumstances
  - Shifting from the current position to a projected state in anticipation of a shifting environment
  - Transitioning from the present state to a premeditated future state and effectively overseeing the process of transition.
- 13. Reactive change: Being responsive to an event or a sequence of events is a common practice among most companies. They tend to engage in reactive change, which is often incremental. However, there is another type of reactive change that encompasses the entire organization and takes place during times of severe crisis.



### Resistance to change: -

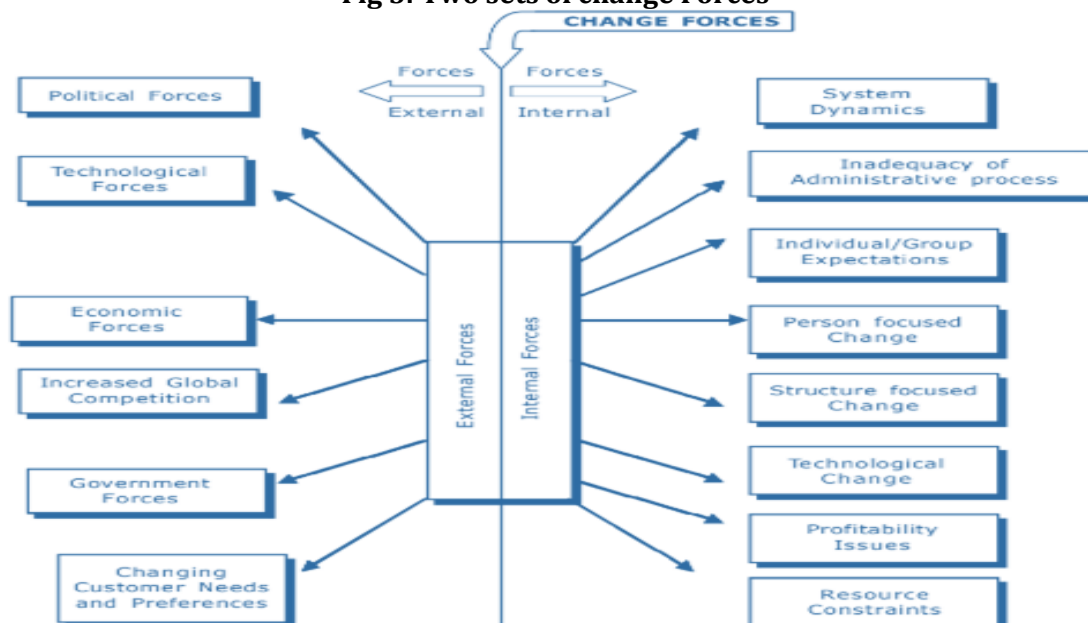
#### 1. Internal Forces:

Internal forces refer to the forces that originate from within the organization itself. These forces are within the control of the organization and can arise from individual issues or the overall system. One of the primary causes of conflict within an organization is often attributed to communication problems, which in turn necessitates the need for change. An organization experiences various internal forces that drive changes. The diagram above illustrates some of these changes, and in addition to those points, a few more can be discussed here:

1. Alteration in job responsibilities and tasks
2. Shift in leadership approach and style
3. Dynamic transformations in the organizational system
4. Ensuring the safety and security of individuals
5. Influence exerted by labor unions
6. Implementation of new technologies
7. Modifications in the employees' profiles
8. Inadequate working conditions

9. Changes in management policies
10. Personnel policies.

**Fig 3: Two sets of change Forces**



## 2. External Forces:

External forces originate from sources outside the organization. These forces are beyond the organization's control and have a general impact. Numerous firms and organizations are affected by these forces, which can include changes in the legal framework, social factors, economic factors, and bans on technology. These external forces can significantly impact the functioning and efficiency of a firm.

An organization can experience various external forces that bring about changes. Some of these changes are illustrated in the diagram above, and in addition to those points, a few more can be discussed here:

1. Changes in the market
2. Globalization and liberalization
3. Changes in technology
4. Economic factors
5. Changes in taste and fashion
6. War
7. Natural calamities
8. Political factors
9. Changes in the legal framework
10. Demographic factors
11. Competition.

## 2. RESEARCH METHODOLOGY

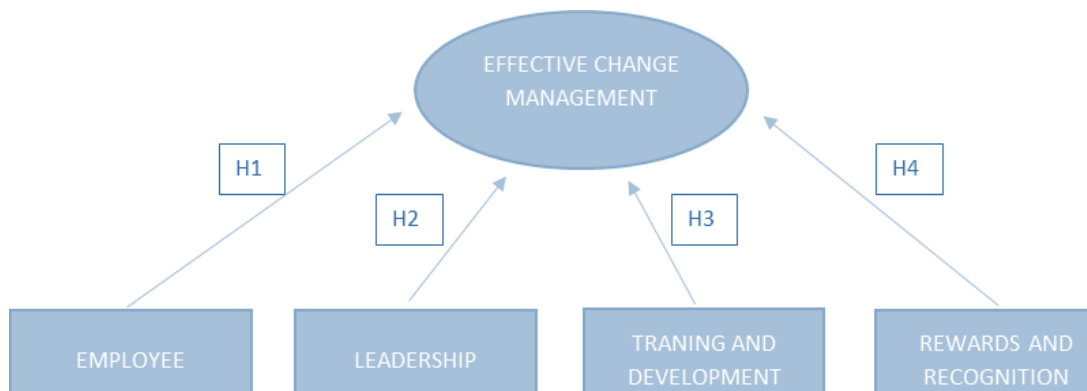
In this thesis the study of important factors has been conducted which directly affect the change management in factory, which is situated in Silvassa, Dadara and nagarhaveli, India. As change management affects differently in corporate and factory setup. The underlying motive for this qualitative case study is to interrogate managers and Employees of organizations to investigate the impact of successful change implementation within the business. The Organization approved the request to have them respond to a series of questions on this study topic, but the organizations preferred to remain as incognito in this study paper. Qualitative method of research would then be used to gather the relevant information useful to the study. This method was employed since the concept of numerical data was not needed but rather a greater focus was on sampling the views of the respondents based on the objectives. The techniques used were mainly interviews and observations. An Open-ended questionnaire was used since it delimits the respondents on there

responses, providing room for more informed and detailed information (Foddy, 1993) The participants for the study were mainly derived from the department of organization. The data collected would thus reflect the notions, position and behaviors of the organizations. The organization follows Kurt Lewin's model on Change management.

Data Collection: -

The formulation of the interview questions depends on the methodology of the study and the general objectives of the work. Eight questions were created to fulfill the objectives sought to be achieved at the end of the study. The questions allow respondents to expand their thoughts and opinions on the topics and activities that drive change, the importance of change management. The data collected from the organizational structure of the companies that voluntarily participated in the interview. A total of 50 employees participated in the survey including managers, engineers, supervisors and operators. The literature review revealed many aspects of change management according to that we had formed hypotheses on important aspects of change management.

**Fig 4: Hypotheses**



### Scale of Measurement

The measurement scale is an ordinal scale, that is, a 5-level Likert scale (Norman, 2010). The levels ranged from strongly disagree (coded 1) to strongly agree (coded 5). In addition to the Likert scale questions, each section (including factor questions) has an additional field where respondents can provide information to capture other sections that were missed during the ongoing research. There are many different scales, but the Likert scale was chosen because it is easy to use, simple, and fits the information we want to present to a sampled group for feedback. We decided to choose a Likert scale in the hope of capturing clear feedback through the survey.

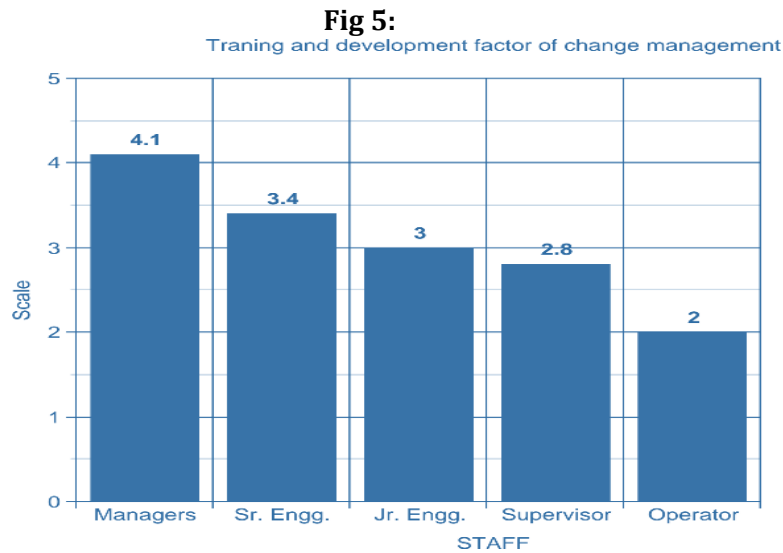
### Reliability and Validation of the data: -

Reliability is the tendency of the obtained results to be repeated, even if the study is carried out a second or even a third time. Research validity refers to testing the results obtained to determine if they meet the goals and requirements of the research. (Martyn Shuttleworth, 2008). Therefore, a valid result quantifies the used theories and the objectives of the literature. It has evidentiary force against the claims of the research on which viable debates are based. The data must reproduce itself based on the object being tested, which is a situation that sets a sufficient condition to demonstrate competence. (Burns and Grove, 2001). To ensure consistency of the findings, questions were constructed based on the theories.

The purpose of qualitative research is to confirm theories by obtaining comparable results that show reliable findings. There is likely to be an error in the research that is significant in assessing the reliability of the results. The presence of small errors means a higher level of reliability, while large errors mean a low level of reliability. (Heale and Twycross, 2015) In this study, the focus was narrowed to a small group of respondents, which made it easier to manage the data collection process. For reliability, we also measured coefficient of internal consistency, Cronbach's alpha (Cronbach, 1951). Cronbach's alpha for the extracted factors is shown in the table. We note that all are above 0.7 and most are above 0.8. This indicates good internal consistency. Some of them are above 0.9, indicating high internal consistency (George & Mallery, 2013). We also see that in some cases, removing the index can improve Cronbach's alpha. For example, removing T3 increases formation and development from 0.753 to 0.783.

Factors	Survey questions	Cronbach's Alpha
Employee	EM1, EM2	.846
Leadership	L1, L2	.856
Training & Development	T1, T2	.753
Reward & Recognition	R1, R2	.788

While comparing the data in Training and development of managers, engineers, supervisors and operators the level of understanding of change management decreases from a higher level to the lower level.



### 3. RESULTS AND ANALYSIS

The IBM AMOS tool was used to identify, determine, evaluate and present the current model to show the hypothesized relationships between variables. It can be seen that all four factors are suspected to contribute positively to effective change management. Significant ratio (CR) statistics, which divide the weighted estimates between the standard error estimates and the significance burden of the test, are also calculated. According to Hox and Bechger (1998), a CR greater than 1.96 or less than -1.96 indicates bivariate significance at the prior 5% level. An overview of the results is as follows:

Hypothesis	Factors	CR value ( > 1.96)	Support decision
H1	Employee	3.061	Supported
H2	Leadership	3.485	Supported
H3	Training and development	2.050	Supported
H4	Rewards and recognition	2.441	Supported

### 4. FINDING AND CONCLUSION

As all the factors support the change management of organization the hypotheses which are constructed are positive, as considering the factor we find that the CR value of the training and development is lower than other factors. As Training and development plays an important role in change management, while considering this study the organization has followed Kurt Lewin's model on Change management. Kurt Lewin's model of change is not very detailed. (Some believe that Lewin's change management model is too simplistic. The steps in each section can be interpreted in many different ways, and it is often necessary to "fill in the blanks" using different examples.) So, we suggest Kotter's Change



Management Theory which focuses on each factor of change management of an organization. John Paul Kotter is a well-known innovator in business, leadership and change. In 1996, he published the book *Leading Change*, which contains eight strategies that he believes lead to successful change when implemented by organizations. "Leading Change" is about a leader who focuses on success and therefore uses the need to create short-term goals in response to a changing culture. This strategy is often used by companies whose only goal is to survive in a competitive business environment. He states that business failures are caused by people not having the skills in certain areas, making it difficult to decide when change is necessary, and the timing is right. In order for organizations to avoid "death" and survive, Kotter identified eight steps: increase urgency, team up, adjust the vision, communicate, get things moving, focus on short-term goals, never give up and implement change.

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