A Study on the Effects of Change Management in Select Manufacturing Companies in Chittoor District, A.P.

S. Saritha[1] and T. Narayana Reddy[2]

Abstract: *Change has become a constant phenomenon which must be managed properly for an organization to survive. Knowledge and awareness about many of the critical issues involved in the management of such change is often lacking. This study sought to find out the effects of change management in manufacturing companies in Chittoor. It was guided by the following specific objectives: to analyze the effect of change management on organization culture at companies; to determine the effect of change management on organization structure at companies; and to investigate the effect of change management on leadership at companies. A purposive sample of 57 members directly involved in managing organizational change participated. Data collection was based on secondary and primary sources. The data collected from questionnaires and secondary sources was summarized according to the study themes; being change management and its effects on organizational structure, culture and leadership. Quantitative data was analyzed using descriptive statistics like mean, mode, median and frequencies. Results were presented in form of charts and tables for quantitative data and in prose for qualitative data. This study found that there are changes in the management, in the requirements and performance of the employees.*

Keywords: change management, manufacturing companies, organization culture, Organization structure, leadership**.**

Introduction

Organizations are a major sector which has significant contribution to socio-economic development. The external changes that have been facing the organizations provide an avenue for thinking. Managers have adopted change practices with varying levels of success. The studies on change have been done on manufacturing sector in Chittoor district. This study will therefore provide insights on change practices in these organizations.

Most organizational managers today would agree that change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive. Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment all have a significant effect on the processes, products and services produced.

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Literature Reviews

Change is inevitable for any vibrant and successful organization. The terms '*change*' is used to refer to a system of discrete episodic changes that happen in one or more organizational domains like people, structure, and technology (Romanelli & Tushman, 1994)**.** Organizational change is defined as the adoption of a new idea or behavior by an organization (Daft, 2005). It can also be defined as the process of continually renewing the organizations direction, structure and capabilities to serve the ever - changing needs of internal and external customers (Mora & Brightman, 2001).

According to Schaffer (1992), those organizations which do survive are often relegated to the role of playing "catch up" to their competitors, while others are either absorbed into larger entities via mergers or acquisitions or simply dissolved into a collection of corporate assets and liabilities. In fact, many of the popular trends in management and organizational consulting such as business process re-engineering, total quality management and the learning organization, represent systematic methods for responding to and channeling effectively the forces of change. Unfortunately, the vast majority of improvement initiatives undertaken by organizations, even with the best of intentions, are destined to have little impact.

While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. Clearly, if organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework for thinking about change and an understanding of the key issues which accompany change management. Change management has been linked to the organization's competitiveness and response to changes in the environment. Ansoff and McDonnell (1990), state that changes arise out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organizations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions. This implies the readiness to change within the organization and the ability to implement the proposed change.

A host of external factors influence an organization's choice of direction and action and ultimately, its organizational structure and internal processes. These factors, which constitute the external environment, can be divided into three interrelated Strategy categories; that is factors in the remote environment, factors in the industry environment and factors in the operating environment (Pearce and Robinson, 1991). Organizations manage change directly. Balogun and Hailey (1999) identify important contextual features that should be taken into account when designing change programs. These include the scope, institutional memory, diversity of experience within an organization, the capability of managing change and the readiness for change throughout the different levels in the organization.

There are different approaches to managing change; some are sudden, planned and incremental. Kazmi (2002) says that change is not linear and therefore cannot be worked on a mathematical formula basis with a set of variables that will yield a fixed answer for their combination. Aosa (1996) points out the necessity of carrying out change within the context of unique environmental challenges within Africa. Therefore change is context and environmental dependent, and there is no one best way.

Mildred Golden Pryor. Et.al (2008),This article addresses selected change management models and research, their relevance in today's global economy and the challenges facing organizational leaders and researchers in terms of their application and expected results. We also suggest a relatively new strategic model as well as new applications of existing change

management models and theories. This article discusses and compares the components of various change models that have been (and can be) used to react to and/or lead change.

General Characteristics of the District

Chittoor district is a part of Rayalaseema and lies in the extreme south of Andhra Pradesh. There are no perennial rivers in the district. Pilgrim centres Tirupati, Kalahasti are in the district. It is covered with Red loamy soil 57%, red sandy 34% and remaining black soil. The summer temperature touches 46 degrees and winter temperature ranges from 12- 18 degrees C. Normal rain fall is 918 mms.

Methodology

The Population and Sample Design

The study population was employees of foods and inns & galla foods who has experienced various forms of organizational change. The population targeted for the study must have been involved in organizational change both directly and indirectly impacted upon by the new administrative systems. The total population of employees at the foods and inns & galla foods are 700 out of which the researcher targeted 57 employees involved in making decisions.

Purposive samples of 57 employees who were senior employees and are directly involved in managing organizational change were involved in the study. According to Winter et al. (2009), a purposive sample is a non-probability sample that conforms to a certain criteria. The research took purposively 57 employees who have experienced various forms of organizational change.

Data Collection

Data collection is the process of gathering information about a phenomenon using data collection instruments (Sekaran, 2000). Data collection was based on secondary and primary sources where primary data was obtained through the use of questionnaires as the main data collection instrument while secondary data was obtained from journals and books in the library and the Companies' annual reports. A questionnaire was both open ended and closed and were also both qualitative and quantitative in nature to capture all the aspects of the effects of change management in an organization. A total of 57 questionnaires were developed which were then be administered through drop and pick method. A purposive sample of 57 employees who were senior employees and are directly involved in managing organizational change were involved in the study. According to Winter et al. (2009), a purposive sample is a non-probability sample that conforms to a certain criteria. The research took purposively 57 employees who has experienced various forms of organizational change.

Data Analysis

Data was analyzed using content analysis of written materials drawn from personal expressions of participants. The data collected from questionnaires, interviews and secondary sources was summarized according to the study themes being change management and its impact on organizational structure, culture and leadership. Data was then analyzed to determine its accuracy, credibility, usefulness and consistency. Quantitative data was analyzed through coding in SPSS version data editor where inferences were drawn and descriptive statistics like mean,

mode, median and frequencies of responses were used to give the results of the analysis which were then presented inform of charts and tables and prose for qualitative data.

Data analysis and interpretation of findings
This section discusses the interpretation and presentation of the findings. The purpose of the study was to examine the effects of change management in an organization. The objectives of this study were to analyze the effect of change management on organization culture at Foods and Inns & Galla Foods to determine the effect of change management on Organization structure at Foods and Inns & Galla Foods and to investigate the effect of change management on leadership at Foods and Inns & Galla Foods. According to Babbie (2002) any response of 50% and above is adequate for analysis thus 85.96% is even better.
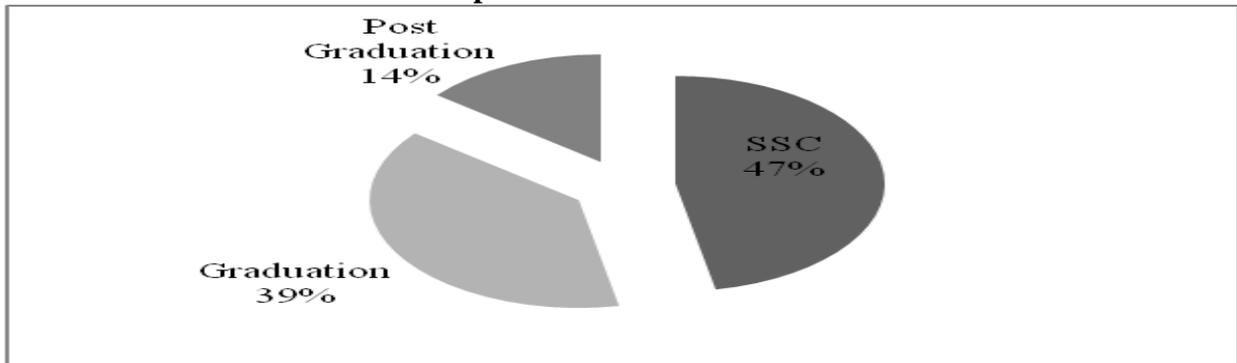
Gender of the Respondents
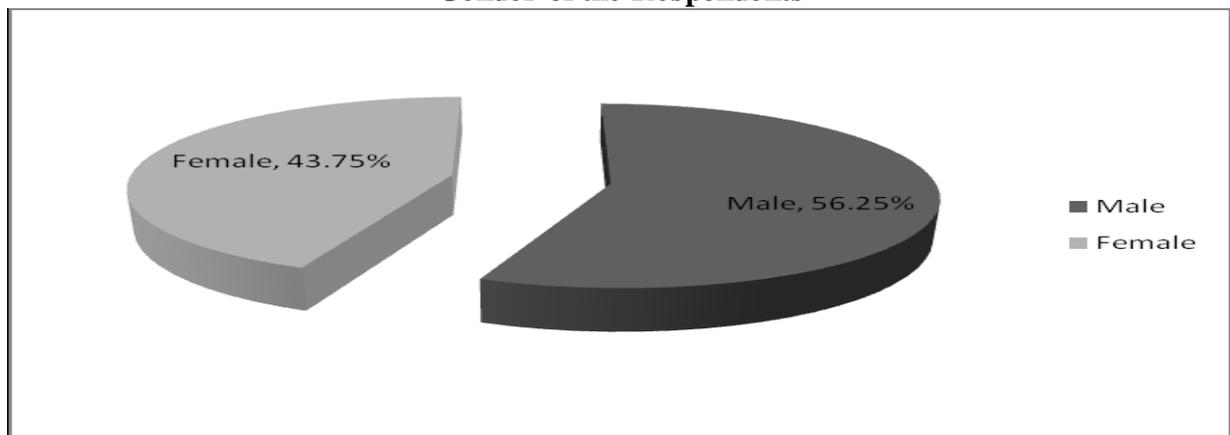
It was realised that 56.25% of the respondents in this study were male while 43.75% were female. This clearly shows that majority of the respondents in this study were male.
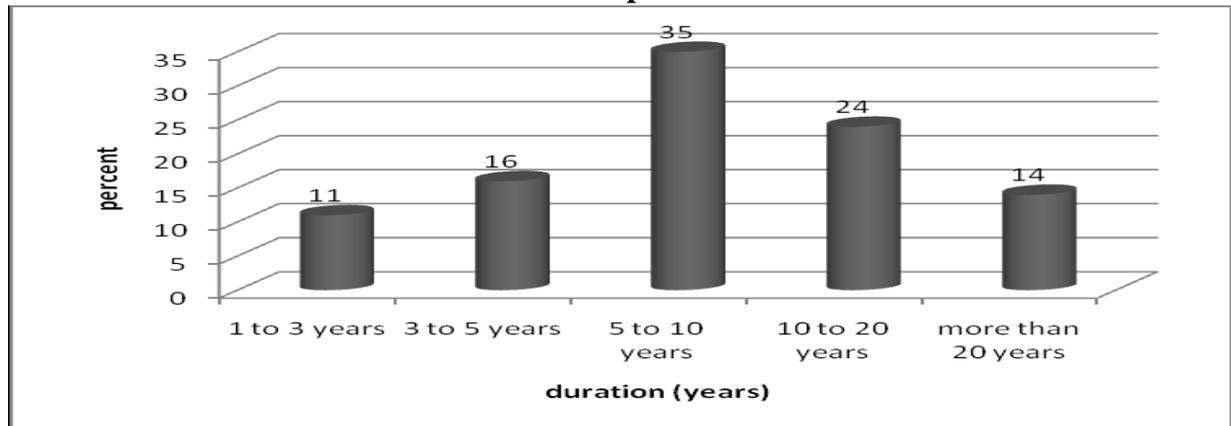
Respondents' Age
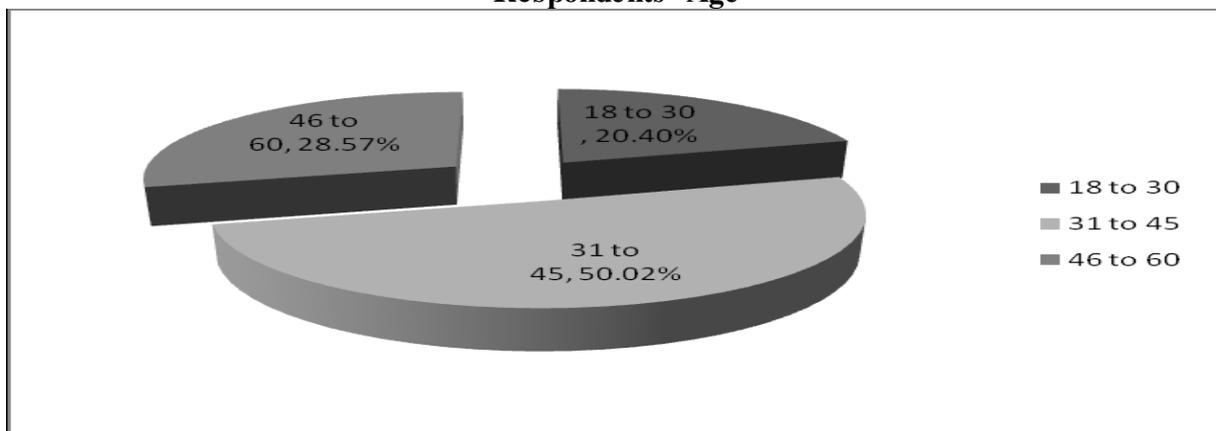
On the respondents' age bracket, the study found that majority of the respondents (50.02%) were aged between 31 and 45 years, 28.57% were aged between 46 and 60 years and 20.40% were aged between 18 and 30 years. This shows that majority of the respondents were aged between 31 and 45 years.

Respondents Education Level

On their level of education, 46.94% of the respondents indicated that they had SSC, 38.78% had Graduation and 14.29% had Post graduation. This shows that majority of the respondents SSC.

Work Experience

From the findings 35% of the respondents indicated that they had been working in the companies for between 5 and 10 years, 24% had been working there for between 10 and 20 years, 16% had been working there for between 3 and 5 years, 14% had been working there for more than 20 years and 11% had been working there for between 1 and 3 years. This clearly shows that majority of the respondents had a working experience of between 5 and 10 years.

Those Directly Impacted by Change

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The study sought to determine who in the Companies was directly impacted by the change. Study found that senior employees were impacted most (32%). These were followed by junior employees (31%), managers (20%) and senior mangers (17%). This clear shows that the change was directly impacting the low level management most.

Implementation Approach
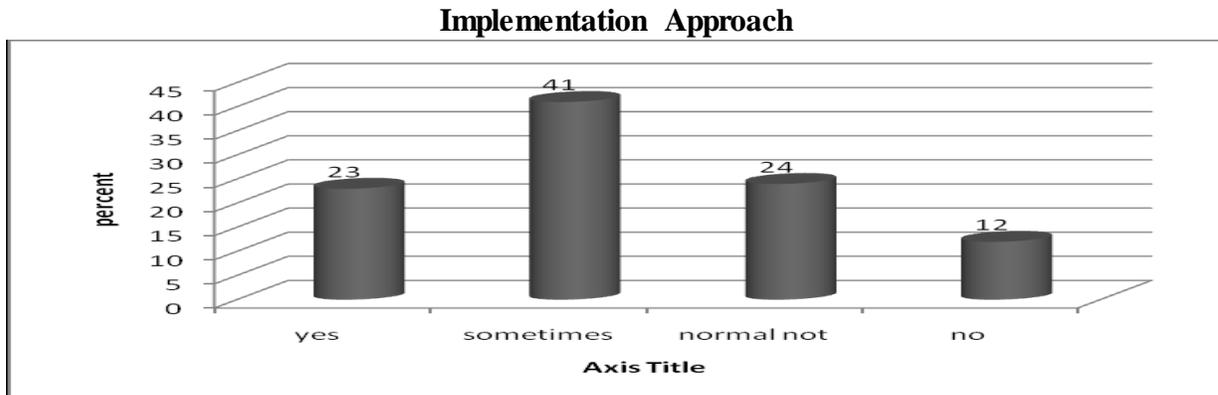
On whether the implementation approach depended on the organization culture, 41% of the respondents indicated that it sometimes depended on the organizational culture, 23% indicated that it depended on organizational culture and 12% indicated that it did not depend on organizational culture.

Main Important Problems during Change Implementation Phase

Problem	Mean	Std. Deviation
Barriers between departments	4.23	.725
Not enough support from senior management	4.00	1.080
Resistance of middle management to change	4.00	.739
Focus too much on technological aspects, too less on people	3.92	.760
Scope not well defined, project is oversized	3.85	.555
Resistance of users to change	3.92	.641
Project does not have appropriate priority	3.85	.899
Not enough resources available	3.77	.599
Budget needed, higher than expected	3.54	.967
Organization and procedures are not adapted to the new situation	3.92	1.115
No transparent goals/objectives	3.85	.689
Time for implementation needed, longer than expected	3.73	.599
Goals are to aggressive, organization is not capable to cope	3.59	.961
Availability of people from implementation team	4.64	.519
Technological limitations	4.58	.506
Barriers to external stakeholders	3.72	.768
Intercultural problems	3.58	.519

The findings on the main important problem during change implementation phase. A five point Likert scale was used to interpret the respondent's responses. According to the scale, those problems which were considered very important were awarded 1 while those which were considered not important were awarded 5. Within the continuum are 2 for less important, 3 for

not sure and 4 for less important. Mean (weighted average) and standard deviation were used to analyze the data.

According to the researcher those problems with a mean less than 3.5 were rated as important while those with a mean less than 3.5 were rated as not important. On the same note the higher the standard deviation the higher the level of dispersion among the respondents.

From the findings, the study found that all the listed problems were important problem during change implementation phase. The problems that were rated as important include Barriers between departments (M=4.23, SD=0.725), Not enough support from senior management (M=4.00, 1.080), Resistance of middle management to change (M=4.00, SD=.739), Focus too much on technological aspects, too less on people (M=3.92, .760), Scope not well defined, project is oversized (M=3.85 .555), resistance of users to change (M=3.92, SD=.641), Project does not have appropriate priority (M=3.85, SD=.899), Not enough resources available (M=3.77, SD=.599), Budget needed, higher than expected (M=3.54, .967), Organization and procedures are not adapted to the new situation (technological and organizational integration on different levels) (M=3.92, SD=1.15), No transparent goals/objectives (M=3.85, SD=.689), Time for implementation needed, longer than expected (M=3.73 SD=.599), Goals are to aggressive, organization is not capable to cope (M=3.59, SD=.961), Availability of people from implementation team (M=4.64, SD=.519), Technological limitations (performance/missing functionality) (M=4.58, SD=.506), Barriers to external stakeholders (customers/supplier) (M=3.72, SD=.768) and Intercultural problems (i.e. language barriers (M=3.58, SD=.519).

Leading and Managing Change

Task	Mean	Std. Deviation
I create a sense of urgency to reinforce the need for change	3.53	0.897
I provide people with facts, figures and evidence to	4.03	0.895
I select the right people to form the guiding coalition	4.21	0.976
I get the guiding coalition to work together as a team	4.23	0.765
I create clear and tangible vision for change	4.01	0.956
I construct effective strategies to deliver the vision	3.98	1.02
I change systems that get on the way of the changed vision	3.89	1.11
I recruit promote and develop the right people to promote change	3.97	1.07
I ensure the right people are chosen for the role of change development	3.78	0.967

The findings on the extent to which they practiced the stated practices. A five point Likert scale was used to interpret the respondent's responses. According to the scale, those practices which the respondents were practicing (always) were awarded 5 while those which they were not practicing (never) were awarded 1. Within the continuum are 2 for rarely, 3 for sometimes and 4 for mostly. Mean (weighted average) and standard deviation were used to analyze the data.

According to the researcher those practices with a mean less than 3.5 were rated as practiced while those with a mean less than 3.5 were rated as not practiced. On the same note the higher the standard deviation the higher the level of dispersion among the respondents.

From the findings the respondents indicated that when they were leading and managing change they were creating a sense of urgency to reinforce the need for change (M=3.53, SD=0.897), they were providing people with facts, figures and evidence to persuade them for change (M=4.03, SD=0.895), they were selecting the right people to form the guiding coalition

(M=4.21, SD=0.976), they were getting the guiding coalition to work together as a team (M=4.23, SD=0.765), they were creating clear and tangible vision for change (M=4.01, SD=0.956), they were constructing effective strategies to deliver the vision (3.98, SD=1.02), they were changing systems that get on the way of the changed vision (M=3.89, SD=1.11), they were recruiting promote and develop the right people to promote change (M=3.97, SD=1.07) and they were ensuring the right people are chosen for the role of change development (M=3.78, SD=0.967).

Summary of Key Findings

This research study found that the changes have a significant effect on the whole Organization. Such changes include: Human resources; downsizing, outsourcing and recruiting more staff to fill some new posts.

The study also sought to determine the changes that were essential. From the findings the respondents indicated that the fundamental changes are essential; this is because they have a paramount effect on the whole Organization.

The study also sought to know how the changes were arising. The respondents indicated that most of these changes were planned and come or take place in an incremental form. However, some of these changes came in abruptly.

On the ideal procedure for making changes upon request the respondents indicated that the ideal procedure is that the idea has to be endorsed by all the Companies organs especially top management and the Companies board. On the change management procedure applied the respondents indicated that the companies were applying planned change management process procedure. Change requests are made by the units with change initiative and they are endorsed by the top management.

The study also sought to know who monitored the change. The respondents indicated that the Directorate of Monitoring and Evaluation was established to oversee and monitor the decisions taken by the top management of the Companies. On whether there were alterations that needed to be made to the change management system the respondents indicated that a proper change management procedure should be established in order to track well the effects of change management.

The respondents also agreed that organizational change was experienced. They further added that there have been several changes all over the institution which amounts to organizational change. Most of the changes have had a fundamental impact on the whole Companies. From the respondents who indicated that organizational change was being experienced, the study also sought to know there was a need for organizational change to be frequently experienced. The respondents indicated that there was need for frequent organizational change to be able to cope with the ever turbulent environment in which the Companies operates. Failure to adapt and adopt change in the organization would lead to stagnation and therefore unfit to compete favorably with other actors in the industry.

The study also found that when they were leading and managing change they were creating a sense of urgency to reinforce the need for change, providing people with facts, figures and evidence to persuade them for change, selecting the right people to form the guiding coalition, getting the guiding coalition to work together as a team, creating clear and tangible vision for change, constructing effective strategies to deliver the vision, changing systems that get on the way of the changed vision, recruiting, promote and develop the right people to promote change and ensuring the right people are chosen for the role of change development.

Conclusion

On the effects of change management on organization culture at Galla Foods and Food & Inns the study concludes that the employees were overseeing change in line with their responsibilities in the organization. Here all employees are required to set targets from which they are evaluated and/or appraised. The influence of culture is an impediment since it affects a lot the implementation of performance contracting. This is because, employees are required to deliver and perform effectively compared to the previous way of how things were done. The study also concludes that there was need for frequent organizational change to cope with the ever turbulent environment in which the Companies operate. Failure to adapt and adopt change in the organization would lead to stagnation and therefore unfit to compete favorably with other actors in the industry.

The study also concludes that when they were leading and managing change they were creating a sense of urgency to reinforce the need for change, providing people with facts, figures and evidence to persuade them for change, selecting the right people to form the guiding coalition, getting the guiding coalition to work together as a team, creating clear and tangible vision for change, constructing effective strategies to deliver the vision, changing systems that get on the way of the changed vision, recruiting promote and develop the right people to promote change and ensuring the right people are chosen for the role of change development.

Recommendations

The study found that one of the main problems the Companies was facing in the implementation of change was barriers between departments. This study therefore recommends that the management should ensure that teamwork is enhanced in order to get rid of conflict of interest between departments. This will also help to curb resistance of middle level management to change.

The study also found that there were no transparent goals/objectives. The study therefore recommends that the companies management should ensure that organizational goals, objectives, vision and mission are clear. From the study and related conclusions, the researcher recommends further research in the area of the role of organizational culture in strategic change implementation.

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