

# Exploring change Management Practices and their impact on Organizational performance in the Indian IT Industry

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**Abstract** - *The Indian IT industry is a dynamic and rapidly evolving sector that consistently encounters changes driven by technological advancements, market demands, and global economic trends. This study investigates the change management practices adopted by Indian IT organizations and evaluates their impact on organizational performance, employee satisfaction, and adaptability to market dynamics. A mixed-method approach, combining quantitative surveys and qualitative interviews, was employed to gather comprehensive insights. The findings reveal key strategies for successful change implementation and underline the importance of leadership, communication, and organizational culture in facilitating effective change.*

**Keywords:** *Change Management, Indian IT Industry, Organizational Performance, Leadership, Adaptability*

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## INTRODUCTION

Change is a constant in the IT sector, particularly in India, where organizations must adapt to remain competitive in global markets. This study aims to explore the prevalent change management practices within the Indian IT industry and their measurable impacts on organizational outcomes.

Change is a word that bewilders some but welcomed by others who see the opportunity in it to make things better. Individuals and organizations would stagnate and jeopardize their future if they did not engage in change. Change, innovation, task alignment, progress, and continuous improvement are all terms used to describe the process. Organizations are undergoing changes.

The only constant is change. Change is all around us. In various organizations and people, change occurs constantly and at varying rates at different periods. The winds of change are blowing in all directions. Corporate restructuring, new technologies, data analytics improvements, and other factors contribute to change, resulting in increased financial success,

customer and employee satisfaction, and loyalty and commitment.

Any change program should be implemented in such a manner that, after implementation, workers are more dedicated to the company, confident in their own contributions, and more willing to change.

The Indian Information Technology (IT) business has grown into one of the country's most thriving industries. The Government of India (GoI) claims that India is home to the majority of Fortune 500 and Global 2000 companies. According to a report by the National Association of Software and Services Companies (NASSCOM), the IT industry is India's largest private sector, employing 37 lakh people. IT software and services created approximately 2,31,000 jobs in the fiscal year 2014-15. (consisting of 34 per cent women employees). According to the annual report of the Software Technology Parks of India (STPI), the IT sector employs over one crore people indirectly.

In terms of national Gross Domestic Product (GDP), IT industry revenue has increased from 1.2 percent

in 1997-98 to almost 9.3 percent in 2015-16. (Gol). The Indian IT services industry earned revenue of Rs. 7,500 crores in 2016 (NASSCOM). To survive in this competitive market, businesses must adapt to the business climate and modify on a regular basis.

## LITERATURE REVIEW

**According to Gupta (2018)**, in the past two decades, consumer perception has changed significantly. Indian companies battled with international corporations by offering the highest-quality goods at the most competitive rates whenever and wherever the consumer needed them. Indian companies that had previously functioned in a protected market faced intense competition not just for exporting their products, but also for finding a local market when the Indian economy was liberalized. As a consequence of these conditions, the Indian industry was compelled to undertake a transformation process. Most companies embraced the 'change management' approach to compete and develop their operations on a national and worldwide level. Through change management, an organization's many levels may be accessible and changed. Production, quality, inventory, and sales and marketing procedures are just a few of the internal and external systems that will be changed. In this study, the outcomes of four top manufacturing companies' change management methods were examined, as well as the results they obtained in different business metrics. Throughout the last decade, they have received numerous quality awards. From July to December 2017, the research was carried out.

**Vasanth Rao and Rama Prasada Rao(2015)** In their paper, titled "Perception of Professions toward Change Management Practices in the Indian Cement Industry: An Empirical Study," they discussed the impact of change management practices on a company's competitive advantage and performance, and discovered that the majority of cement industry professionals believe that awareness, accepting new people, system encouragement, and tools are important. Furthermore, the majority of experts said that linking people's views and concerns in the midst of a change process, as well as having a clear concept of where we'd be in the following stage, would improve the organization's competitive advantage and performance.

**Beshtawi and Jaaron(2014)** Political instabilities, technological advancements, changing customer tastes, globalization, and cultural changes are among the factors forcing telecommunication organizations to change, according to their paper "Change Management in the Telecommunication Sector: a Managerial Framework" written in Palestine. Change management planning, active participation from top management, reinforcement, and feedback are all required to improve telecommunications companies' capacity to change by providing a variety of motivations for learning from feedback.

Previous studies emphasize the significance of structured change management frameworks like Kotter's 8-Step Process and Lewin's Change Model. However, limited research focuses specifically on the Indian IT context, where cultural nuances and workforce diversity play critical roles.

## DATA SOURCE

To elicit the respondents' well-considered views, primary data was gathered using a well-structured and well-framed questionnaire.

Business periodicals, business journals, magazines, publications, reports, books, newspapers, research articles, websites, manuals, and booklets were used to gather secondary data.

## RESULT AND DISCUSSION

### Designing change

#### **Employees' understanding of the changes that are occurring in the organization**

Employee change awareness is essential for the successful implementation of change driven by external or internal factors. When changes occur, management is responsible for informing workers about previous changes as well as changes that will be implemented soon, so that employees are aware of their roles and duties.

**Table 1: Employees' understanding of organizational changes**

Co.		Never	Rarely	Occasional ly	Often	Always	Total	Total Score	
	Capgemini	17	24	7	2	0	50	94	1.88
	ADP	0	28	22	0	0	50	122	2.44
	GE	3	28	26	0	0	57	137	2.40
	Cognizant	15	15	4	16	0	50	121	2.42
	TCS	3	31	21	0	0	55	128	2.33
	L & T Infotech	15	21	12	1	1	50	102	2.04
Total		53	147	92	19	1	312	704	2.26

**Source: Through questionnaire**

Employees at Cognizant, ADP, TCS, and GE, are more aware of organizational changes than those at Cap Gemini and L & T InfoTech, according to weighted averages. Because their employment depend on their capacity to remain current with new advancements, IT workers in general are aware of industry changes. To communicate change to its workers, ADP, Cognizant, GE, and TCS use a set of procedures. The method in which change is communicated is likewise open. The chances and exposure they have, as well as the opportunities provided by the business, add to this. Large corporations have a distinct edge. In Cap Gemini and L & T InfoTech, however, there is no such good flow of information regarding change.

## Diagnosis for Change

Diagnosis for change is the process of determining precisely what needs to be changed, evaluating the effect of those changes on other areas of the organization, and choosing where adjustments are required. These approaches are similar in that they concentrate on organizational structure, strategy, incentive systems, and individual and cultural communication styles. Strategy is generally seen as being at the core of change since it addresses the most fundamental problems that a company must address. What it intends to do and how it intends to accomplish it. Because both strategies may change ("change of strategy") and change may be considered essential to achieve a stated goal ("change for strategy"), the terms strategy and change are used interchangeably. If the strategy isn't established, there are no standards on which to base other design decisions, thus it takes priority as "the cornerstone." The term "structure" refers to an organization's formal design. This includes official authority connections and activity groupings, as shown on an organization chart. According to the incentive system, individual actions should be linked to corporate objectives. In industries like IT, systems refer to the many procedures that a company uses on a regular basis. A company's vision is referred to as "superordinate goals."

**Table 2: Diagnosis for Change**

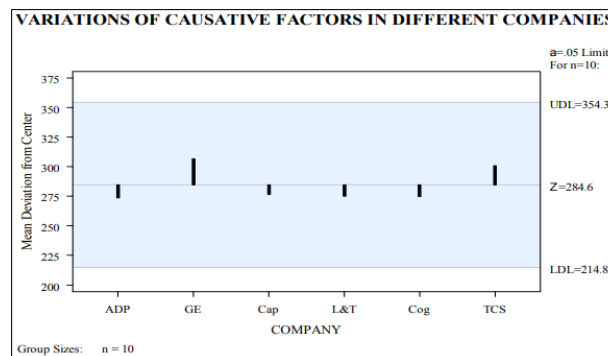
Co.	Strate gy	Structu re	Leadersh ip	Rewar ds	Technical/In ter personal skills	Super Ordina te Goals	Syste ms	Environmen tal & Organizatio nal Inputs	Individu al	Cultur e
Capgemini	6	20	19	30	31	34	25	25	29	30
ADP	0	12	21	36	18	29	27	26	29	42
GE	3	16	22	31	16	25	27	20	28	37
Cognizant	5	12	11	12	32	7	14	28	10	7
TCS	1	17	21	40	16	27	27	21	28	43
L & T Infotech	13	14	20	26	31	25	29	36	32	23
Grand Total	28	91	114	175	144	147	149	156	156	182

Source: Through questionnaire

ANOM was used to study the differences in change management practices in different companies.

The ANOM method is used to investigate how businesses' change management strategies differ. The ANOM method is a statistical tool for demonstrating significant differences across data sets. The ANOM method compares the mean of each group to the overall process mean to detect statistically significant differences.

## ANOM Analysis of Causative Factors in Different Companies



**Figure 1: Different Companies Have Different Causative Factors**

Source: Through questionnaire

Employees at TCS and GE believe that the causal factors have a greater effect on them. The move had less of an effect on employees from other businesses. GE and TCS may have a well-developed strategy in place to detect the external reasons that motivate them to change. However, recognizing the fundamental causes is insufficient for successful change management; change diagnosis is also required.

## Assessing change

**Resistance to Change-** The organization provides both technical and emotional assistance.

Management should offer both technical and emotional tools to employees to relieve their anxiety and uncertainty, and encourage them to actively participate in change with a desire to learn something new. Management may fail to give resources due to financial limits, time constraints, and interpersonal help that managers may not feel equipped or prepared to provide.

**Table 3: Resistance to Change- The organization provides both technical and emotional assistance**

Co	Never	Rarely	Occasional ly	Often	Always	Sum	Total
Capgemini	11	19	11	8	1	119	50
ADP	0	21	5	22	2	155	50
GE	3	23	4	24	3	172	57
Cognizant	11	20	13	5	1	115	50
TCS	0	23	4	24	4	174	55
L & T Infotech	15	19	9	4	3	111	50
Total	40	125	46	87	14	846	312

Source: Through questionnaire

ADP, GE, and TCS employees are split into two groups: those who say it seldom and those who say it often. This may be attributed to the fact that the company provides technical and emotional resources based on employee-manager relationships. Employees at Capgemini, Cognizant, and L & T Infotech, on the other hand, say seldom,

never, and a few times. This may be due to the financial situation of such organizations.

### Readiness for Change

An organization's preparedness for change may be used to forecast the likely outcome of a change attempt at any particular time. The change sponsor isn't necessarily the team's day-to-day leader; he or she is the team's visionary, top cheerleader, and bill payer—the one who can help the team change when it faces resistance. The day-to-day leaders are the ones that call meetings, set goals, and work late at night. Change is more likely to work when there is high-level leadership, ownership, and a clear emphasis on business objectives.

**Table 4: Readiness for Change**

	1	2	3	4	5	6	7	8	9	Total
Capgemini	12	10	10	3	4	3	0	4	4	50
ADP	12	37	1	0	0	0	0	0	0	50
GE	14	36	2	1	2	2	0	0	0	57
Cognizant	9	28	4	2	1	2	0	0	4	50
TCS	15	32	2	0	2	2	0	0	2	55
L & T Infotech	6	10	8	4	13	4	3	1	1	50
Total	68	153	27	10	22	13	3	5	11	312

Source: Through questionnaire

Employees at ADP, Cognizant, GE, and TCS believe that day-to-day change leadership should be shared by top and senior management since low-level leadership is not well-connected across the business. Capgemini and L&T Infotech employees have conflicting views on the sponsor and day-to-day leadership of change. They believe that middle management should be involved in day-to-day change leadership as well.

### Implementing change

#### Implementation Tools for Change Management - Considering the Cumulative Effects of Organizational Changes on Personal Life

People that are ready for change fall into two categories. Individual preparation for change comes first, followed by organizational readiness for change. Personal preparedness for changes in job kinds, work hours, and technology will have an effect on employees' personal lives. He must work late nights at home to complete the tasks assigned to him, etc., since they must work long hours to embrace new technologies.

**Table 5: Implementation Tools for Change Management - Considering the Cumulative Effects of Organizational Changes on Personal Life**

Co	Agree	Disagree	Strongly agree	Strongly disagree	Neutral	Sum	Total
Capgemini	7	16	2	10	15	125	50
ADP	19	4	0	24	3	117	50
GE	21	10	0	20	6	142	57
Cognizant	10	26	1	4	9	128	50
TCS	22	4	0	26	3	131	55
L & T Infotech	1	28	0	9	12	105	50
Total	80	88	3	93	48	748	312

Source: Through questionnaire

Employees at ADP, TCS and GE, are split into two camps: one thinks that organizational changes have a cumulative impact on personal life, while the other disagrees. This may be because these workers are undergoing significant changes in their work routine, and some of them are fighting change while others are accepting it. People who agree with this statement are likely to have worked long hours learning new processes and completing duties while ignoring their personal lives. Only a few Capgemini and Cognizant workers agree. The explanation for this is that the workers of these companies are going through some small adjustments in their work schedules.

#### You will be able to receive messages in an efficient manner if you use this method

Employees should be taught how to get continuous communication so that they may check such sources on a frequent basis for job or other news updates.

**Table 6: Effective way for you to receive communication**

Co.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Sum	Total
Capgemini	38	9	0	2	1	0	0	0	0	0	0	0	0	0	69	50
ADP	31	7	0	0	0	12	0	0	0	0	0	0	0	0	117	50
GE	30	12	0	0	0	15	0	0	0	0	0	0	0	0	144	57
Cognizant	5	6	8	5	13	1	1	1	1	1	1	1	2	4	271	50
TCS	28	15	0	0	0	11	0	0	0	1	0	0	0	0	134	55
L & T Infotech	18	27	0	1	3	0	1	0	0	0	0	0	0	0	98	50
Total	150	76	8	8	17	39	2	1	1	2	1	1	2	4	833	312

Source: Through questionnaire

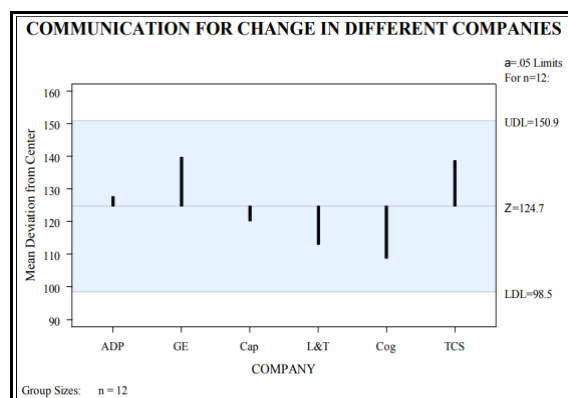
Employees at ADP, GE, and TCS, according to the table above, communicate through e-mail, the internet, or both. E-mail and the internet, according to Capgemini and L & T Infotech employees, are the only efficient communication methods. Email and the internet are essential methods of information transmission in the business sector since IT workers spend the majority of their time in front of computers. While Cognizant workers hold a range of viewpoints, they believe that newsletters, informal chat, and both newsletters and casual discussion are useful communication methods in addition to e-mail and



online notes. It's conceivable that having a casual chat with employees boosts their confidence.

### ANOM is being used to communicate change in many companies

ADP, TCS, and GE are all shown to be proactive in alerting their workers about changes in the graph. This is due to the fact that timely communication about changes in roles, responsibilities, expectations, and abilities helps workers psychologically and physically prepare for change.

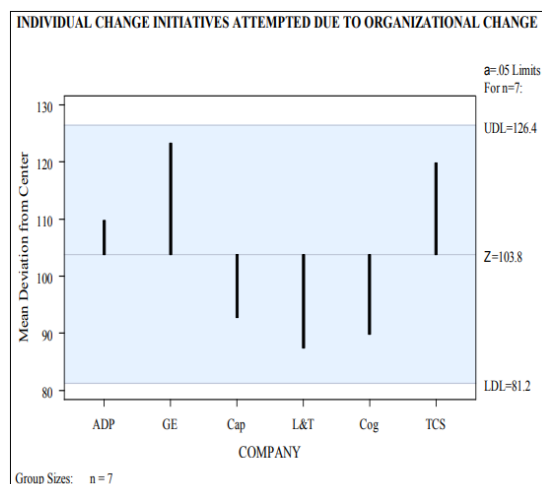


**Figure 2: Communication for Change in a Variety of Organizations**

Source: Primary data through questionnaire

### Individual Changes Pursued as a Result of Organizational Change (ANOM)

Employees at ADP, GE, and TCS are clearly making significant efforts to better themselves, as seen in the graph below. This is the case because we can only develop the network required for information transmission by adjusting to new environments and preserving social ties by joining organizations. Capgemini, Cognizant, and L&T Infotech, on the other hand, are virtually devoid of it. The reason behind this is because companies do not provide workers with adequate change management tools to help them alter their behaviors.



**Figure 3: Individual Changes Attempted due to Organizational Change**

Source: Primary data through questionnaire

### CONCLUSIONS

Change management is indispensable for Indian IT firms aiming for long-term success. Companies should prioritize employee training, foster an adaptive organizational culture, and adopt agile practices to manage change effectively. Change happens as a consequence of external and organizational forces in IT companies. Environmental pressures are exacerbated by political, technical, economic, and legal developments. Organizational constraints are exacerbated by client demand for newer software, domains, and platforms, as well as the organization's financial strength and workers' willingness to adapt. What needs to be changed, where it needs to be changed, and when it needs to be changed is determined by the diagnostic of the change based on different causal variables.

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