

ANALYZING THE ROLE OF CHANGE MANAGEMENT ON EMPLOYEE SATISFACTION IN IT INDUSTRY

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Abstract: *The objective of the study is to determine the impact of Change Management effectiveness on Employee Satisfaction in the software organizations of Kerala. The study adopted descriptive research design and it is also cross-sectional in nature. 371 respondents working in different IT sector companies in the state form the participants of the research survey. The findings of the study indicated that Change Management practices in the software sector companies significantly influence the Employee Satisfaction. Correlation analysis and Regression analysis were employed for assessing the relationship between Change Management and Employee Satisfaction in the sector. The findings of the study imply notable contributions to the academic literature by creating an adaptive and supportive workforce culture in the software industry of Kerala. They also contribute towards creating a sense of security and confidence among the software employees during organizational transitions.*

Keywords: Change Management, Employee Satisfaction, IT sector companies, Change Communication, Employee involvement

Introduction

Information Technology (IT) sector is one of the rapidly growing sectors within the global economy that deals with developing, managing and delivering technology based solutions. This sector offers major transactions like software development, software licensing, IT-enabled

services, consultation services, outsourcing facilities, cloud-based technological services and digital infrastructure management. the services provided by IT sector include a wide range of activities from basic technical support to advanced software solutions including AI (Artificial Intelligence) and cloud computing. The dynamic nature of the business environment necessitates the companies in this sector to constantly adapt to market trends, customer preferences and technological advancements. Therefore, successful management of change plays a major role for fostering the satisfaction of employees working in this sector.

Employee Satisfaction is an important metric of work outcomes of the employees. It is a feeling of fulfilment or contentment that an employee obtains from his job. Satisfied employees tend to be more productive in their work thereby leading to improved work performance and reduced employee turnover. Hence, managers in every industry are extremely concerned about the Employee Satisfaction of employees. It is positively related to the organizational commitment in the sense that highly satisfied employees exhibit higher level of commitment to stay as long as possible in their organizations (Tett and Meyer, 1993). According to Vroom's expectancy theory, Employee Satisfaction of employees is influenced on the belief that efforts will lead to performance, which ultimately lead to desired outcomes. It helps to trace out the relationship on how an organization is capable of fulfilling the needs of employees (Locke, 1969). Thus, Employee Satisfaction can be termed as an affective work outcome that arises as a result of comprehensive assessment of the experiences of an employee (Brown and Lent, 2005).

Change Management is the systematic process of planning, implementing and controlling the organizational changes with a view to maximize environmental adaptations and minimize employee resistance. It ensures that changes within the organization are effectively communicated and implemented. Clear communication of organizational changes reduces the anxiety and stress to a great extent thereby resulting in higher satisfaction for the employees. It enables the involvement of employees in change related decisions which create a sense of ownership and control among them. Effective implementation of changes provides adequate resources and recognition for adapting to change so as to boost the confidence of employees. Thus, in all these terms Change Management has a stronger intervention on the Employee Satisfaction of the employees.

There are previous researches that revealed the relationship between Change Management and Employee Satisfaction in the organizations. Noreen Hassan et.al. (2017) examined the impact of Change Management on employee satisfaction in public and private universities. Change Management was measured using change commitment scale and change readiness scale. A positive relationship was found between Change Management and employee satisfaction in the universities. Oladimeji et.al. (2021) examined how Change Management affects satisfaction of employees and it was found that Change Management comprising of change implementation and change communication has a positive effect on the employees' satisfaction. Prof. Dr. Seema N. Mumtaz et.al. (2024) examined the impact of Change Management on Employee Satisfaction in the banking sector of Pakistan. Change Management was assessed using the level of employee involvement in the change and it was found that Change Management has positive impact on the Employee Satisfaction of the banking sector employees. The study concluded that participation in change processes, creating a helpful work environment and proper recognition to changes benefit the organizations to improve the employee satisfaction by establishing a worker friendly atmosphere.

Even though a number of researches were carried out on relationship between Change Management and Employee Satisfaction, there is a paucity of such studies in the software organizations. The dynamic and competitive environment of the IT industry mandates the employees in this sector to be adaptive to changes in technology and process for improved performance. Therefore, research on Change Management and its effect on Employee Satisfaction are necessary in the context of such companies. When changes are not properly managed in the IT sector, it may result in confusion, anxiety and resistance among the employees, which ultimately lead to lower level of Employee Satisfaction. The present study seeks to fill the gap in this untouched area so as to provide major contributions for better work outcomes in the IT sector.

Objective of the study

The main objective of the study is to determine the relationship between Change Management and Employee Satisfaction in the IT sector companies in Kerala. Based on this objective, the hypotheses are framed as shown below:

H₀₁: There is no significant relationship between Change Management and Employee Satisfaction

H₀₂: There is no significant influence of Change Management on Employee Satisfaction.

Significance of the study

Like every industry, Change Management and Employee Satisfaction play a crucial role in the operational nature of IT industry. For project managers and team leaders, Change Management is significant in IT project platforms for ensuring smoother transitions and minimized resistances, which enhances their work satisfaction. Change Management is also significant for the successful implementation of new products, services and features by aligning processes and people that result in better satisfaction of software developers, product managers and quality analysts. Change Management is significant for system administrators, IT support specialists and infra engineers to adapt to evolving technological features. Hence, implication of Change Management on the Employee Satisfaction of employees is significant to various domains in the IT sector.

Research Methodology

The present study used descriptive and cross sectional research design. The area of the study is Kerala, southernmost state of India. In Kerala, the study focuses on e IT sector organizations in Techno Park and Info Park campuses. The researcher used proportionate stratified random sampling technique for choosing the respondents. Employees of different job types like customer service representative, sales associate, warehouse personnel and web page developers form the

participants of the study. The data was collected among 375 respondents and 323 valid responses were finalized for the study. The employees were approached with a well drafted questionnaire to fill their perception towards Change Management and Employee Satisfaction in their organizations. Statistical tools like mean score analysis, correlation analysis and regression analysis were used for analyzing the collected data.

Results

1. Mean Score Analysis

The items of Change Management were analyzed using five point Likert scale. The statements were obtained from the Armenakis and Bedeian framework of Change Management and a total of 25 statements appropriate to the sector were used for the purpose of survey. Five point Likert scale questions make it easy and convenient for the respondents to express their views on Change Management prevalent in their organizations.

Table 1- Mean Score Analysis of Change Management

Change Management dimensions		Minimum	Maximum	Mean
Change Self-Efficacy	Confidence on past experiences	1	5	3.74
	Optimistic view on the skills	1	5	3.73
	Positive feel on handling the change efforts	1	5	3.79
	Confidence in learning the change practices	1	5	3.81
	Ability to suit the change driven tasks with the present skills	1	5	3.82

Discrepancy	Knowledge on genuine change reasons	1	5	2.77
	Awareness on rationality of organizational changes	1	5	3.31
	Clear idea about the need for change	1	5	2.69
	Organizational fulfilment for undertaking the changes	1	5	2.82
Personal Valence	Ability to envision the financial benefits of organizational changes	1	5	4.01
	Driving change efforts to new career opportunities	1	5	3.85
	Long-term career benefits when the change is implemented	1	5	4.11
	Change efforts result in easier operations	1	5	3.93
	Excess of benefits over the efforts on implementing change initiatives	1	5	3.69
Organizational Valence	Change benefits attribute to the organization	1	5	3.75
	Productive transformation in the organization as a result of change implementation	1	5	3.88
	Change adoption helps to meet the customer needs	1	5	3.77
	Proposed changes result in overall organizational efficiency	1	5	3.78
	Change implementation considers the organizational priorities	1	5	3.82

	Replacement of outdated aspects	1	5	2.95
	Improvement over the current practices	1	5	2.93
Principal Support	Clear signal on organizational changes by the management	1	5	2.89
	Strong belief on the role of management in initiating the changes	1	5	2.97
	Role model behaviour of senior leaders	1	5	3.29
	Sufficient support from the top leaders on the change efforts	1	5	3.42
	Commitment of senior leaders towards the change efforts	1	5	3.28
	Stressing importance of change efforts by the senior leaders	1	5	3.08
Overall Mean				3.47

Source: Primary data

The above table shows the level of agreement by the IT sector employees towards various Change Management dimensions. Their highest level of agreement is seen in ‘long-term career benefits when the change is implemented’ (M=4.11). This is followed by ‘ability to envision the financial benefits of organizational changes’ (M=4.01), ‘change efforts result in easier operations’ (M=3.93) and ‘productive transformation in the organization as a result of change implementation’ (M=3.88). The overall mean of 3.47 indicates that the employees in e-Commerce sector exhibit their level of agreement towards the Change Management practices in their organizations.

2. Correlation Analysis

Table 2- Correlation between Change Management and Employee Satisfaction

		Change Management	Employee Satisfaction
Change Management	Pearson correlation	1	0.759
	Sig. value		.000
	N	323	323
Employee Satisfaction	Pearson correlation		1
	Sig. value	.000	0.759
	N	323	323

Source: SPSS Analysis

Table 2 represent the correlation analysis between Change Management and Employee Satisfaction. The analysis result has rejected the H_0 and it is inferred that a positive correlation between exist Change Management and Employee Satisfaction in the IT sector companies ($p < 0.05$, $r = 0.759$). Hence, the result is aligned with the findings of previous works on relationship between Change Management and Employee Satisfaction.

3. Regression Analysis

Table 3- Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.759	.576	.574	.23214

Predictors: (constant), Change Management

Table 3 represents the model summary table in regression analysis. The correlation coefficient is 0.759 and the determination coefficient is 0.576. From this, it is inferred that variation in Change

Management in the IT sector companies explains nearly 57 percent variation in Employee Satisfaction.

Table 4- ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	23.456	1	23.45	435.281	.000
Residual	17.29	321	0.054		
Total	40.75	323			

a Dependent Variable: Employee Satisfaction

b Predictors: (Constant), Change Management

Table 4 represents the ANOVA table of regression analysis. The analysis result has rejected H02, which indicates that there is significant influence of Change Management on Employee Satisfaction in the IT sector companies ($p < 0.05$).

Table 5- Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Beta	Std. Error	Beta		
1 (Constant)	1.495	.096	.759	15.501	.000
Change Management	.489	.023		20.863	.000

Dependent variable: Employee Satisfaction

Table 5 represents the coefficient table of regression analysis. The result of the analysis establishes the relationship between Change Management and Employee Satisfaction in the e-Commerce enterprises with the help of following equation:

$$\text{Employee Satisfaction} = 1.495 + (0.489 * \text{Change Management})$$

Discussion

The results of the study strongly exhibit the relevance of Change Management in promoting employee satisfaction within the IT sector. They are aligned with the foundational work of Armenakis and Bedeian (1999), who emphasized the importance of their framework constructs such as personal valence and organizational support in initiating the change acceptability among employees. The results of the study also support Vakola & Nikolau (2005), who identified in their analysis that employee commitment and stress management serve as major predictors of positive attitudes towards organizational change. The variance explained in employee satisfaction by Change Management highlights the practical significance of well-structured change initiatives, where the finding is consistent with Hughes (2011) in his critical perspective on Change Management implementation. In short, these results validate the theoretical framework adopted in the study and outline the need for IT sector companies to establish and develop Change Management policies to optimize employee outcomes and organizational performance.

Conclusion

The result of regression analysis concluded that Change Management in the IT sector companies has significant influence on the Employee Satisfaction of the employees. An effective Change Management in the software sector implies that there is long-term organizational orientation, employee beneficial awareness, operational feasibility and productive transformation during the period of transition. When changes are managed well through these practices, employees in this

sector are satisfied in their job in terms of better reward, enjoyment, stimulating, fulfilment and accomplishment. Incorporating change management practices in this sector shapes better organizational transformation that lead to enhanced employee experience, increased competitiveness and improved operational efficiency in the software sector.

The influence of Change Management on Employee Satisfaction brings noteworthy conclusions in the organizational context of IT sector companies. Adaptation to technological advancements in this sector creates opportunity for career and skill development for the employees. Organizational alignment and workforce development during transition promises the job security of employees in the changing business environment. The present study helps the IT managers to recognize the impact of Change Management on the Employee Satisfaction of employees. Firstly, it enables the managers to engage the employees in change related decisions and also to assess their response towards the acceptance of alterations. This would help them in smoother implementation of change initiatives and successful adaption of business changes. Secondly, it helps managers to encourage a culture of adaptability and flexibility which is highly required for organizations in this sector since they are prone to fast paced externalities. Hence, it is implied that proper management of change in this sector contributes towards employee morale and retention resulting in overall Employee Satisfaction and organizational success.

Based on the findings of the study, the following suggestions are provided:

- Employees should be timely communicated about the future changes and the communication channels must be open and transparent. This would help them in understanding the expected outcomes of changes.
- Employees should be encouraged to provide their feedback on change decisions so as to identify the potential challenges of change implementation as well as to offer solutions.
- Employees should be provided with proper training and resources to eliminate their stress and uncertainty about the changes to be implemented.
- The management should encourage the system of proper reward and recognition to the employees having contribution towards positive implementation of change.

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