Chapter two

REVIEW OF LITERATURE
Review of Literature

Organizational change:

This chapter provides an overview of the research conducted in the area of organizational change in recent times. The focus is on presenting studies that have researched the human factors influencing change such as change readiness and resistance, the change implementation process, and the influence of organizational culture on the change implementation.

Likert (1961) has pointed out that supportive environment is much more conducive to change because employees working in such organizations believe that their personal worth and importance are maintained.

Kumar and Dwivedi (1988) investigated the effect of organizational climate on attitude toward change. Results show that the organizational climate was significant predictor of acceptance of change.

Edwards and Kleiner (1988) have concluded that the strategy for carrying out change depends on the type of corporate culture that exists within the organization, the stage in the organizations development, and the type of change desired.

Mckinlay & Starkey (1988) examined the importance of work organization in terms of the impetus, dynamics, and impact of pervasive change process in securing competitive advantages in uncertain market environments, using three contrasting organizations. An international competition, especially the decline and fragmentation of previously stable mass markets, has been the prime mover of contemporary organizational innovations. It is concluded that significant business turnarounds were achieved by 3 companies because strategic choice, work organization, company
culture and organizational realignment were conceived of and operationalized as complimentary elements of their competitive strategy.

Ashford et al. (1989) stated that when an organization is experiencing organizational change, such as re-structuring, downsizing, or merging, it will cause employees the feeling of anxiety, stress, and insecurity, and resulting impact on employees’ productivity, satisfaction, and commitment towards the organization.

Covin and Kilmann (1990) studied the ultimate success of large scale change programmes. Content analysis revealed that positive impact issues included visible management support and commitment, employee participation and communication. Negative impact issues included inconsistency among key managers, managers forcing changes and poor communication.

Collins, Hatcher and Ross (1993) found that participation, identity, cooperation and expected plan support were significant for organizational change among union based organization.

Glick et al. (1995) argued that the more infrequently change occurs the more likely it is to be perceived as a discrete event and employees will be able to identify a clear beginning and end point of change. In contrast, when changes are frequent, organizational members are less likely to perceive change as a discrete event and are likely to feel that change is highly unpredictable. When change occurs very frequently, individuals are likely to feel fatigued by change and experience an increase in anxiety due to the unpredictability of change in that setting.

Armenakis and Fredenberger (1997) conducted a study on “organizational change readiness practice of business turnaround change agents” wherein they
investigated 145 business turnaround agents to determine (a) the period of time expected to improve the performance of failing companies; (b) the extent of fear of job loss and resistance to change by managers in these companies; and (c) the readiness practices employed in preparing managers for organizational changes. The method of collecting data was a questionnaire containing items from change literature and from publications on corporate turnarounds. The results indicated that 91% of the change agents reported that managers were fearful of losing their job and about two thirds indicated target group resisted organizational change. Their research suggests that change creates uncertainty, and the general reaction of the people is to react cautiously, translated as resistance. This attitude must be dealt directly by convincing the target group members, that changes are necessary and getting their heart and soul involved in the change initiative to make it successful.

Singh and Ray (2000) studied the impact of downsizing on the surviving employees in India. Questionnaires were used for the data collection, and a total of 150 responses were obtained from production employees of five organizations, two from the public sector and three from the private sector. The respondents included workers, supervisors as well as representatives of management in the age group of 30 to 45 years. The questionnaire measured the impact of downsizing on the survivors in terms of elation with co-workers, motivation, job security and relation with superiors. They found that job security decreased for the majority of survivors, motivation increased or largely remained the same, relations with supervisors increased or remained the same, and relation with co-workers deteriorated for a majority of the survivors.

Paul Bate (2003) conducted a two year long ethnographic study, of a large scale change programme within hospitals in UK where they struggled to transform
themselves from a rigid hierarchy to a more flexible community. The programme was envisaged as going beyond the structures, systems and processes to “create a new culture for the hospital”.

Griffin et al. (2004) conducted a study to explore whether organizational change had differential effects on perceptions of group leadership and group morale, depending on the source of the change activity. The sources of change were leaders outside the work group, leaders within the work group, and employees within the work group. Data on work group leadership and morale was collected in two waves of an employee survey, and data on change activities were collected in the second wave of the survey. When leaders outside of a work group initiated change, employees reported more negative perceptions of their work group leader. However, when the work group leader initiated change, perceptions of that leader tended to be more positive. Finally, change activities initiated by group members did not influence perceptions of work group leadership, but were associated with improved work group morale.

Lines (2004) found that allowing employees to participate in making decisions related to a change initiative has a positive impact on the overall success of the change.

Maria Vakola and Ioannis Nikolaou (2005) conducted a study to explore the linkage between employees’ attitudes towards organizational change and two of the most significant constructs in organizational behavior; occupational stress and organizational commitment. A total of 292 participants were used. The results showed negative correlations between occupational stressors and attitudes to change, indicating that highly stressed individuals demonstrate decreased commitment and
increased reluctant to accept organizational change interventions. The most significant impact on attitudes to change was coming from bad work relationships emphasizing the importance of occupational stressor on employees' attitudes towards change. The results did not support the role of organizational commitment as a moderator in the relationship between occupational stress and attitudes to change.

Kiefer, Tina (2005) studied antecedents and consequences of negative emotions in ongoing change. Three main antecedents to negative emotions in ongoing change are proposed: perceptions of inadequate working conditions, perceptions of inadequate treatment. Two outcome variables are identified: trust in the organization and withdrawal from the organization. The model is tested with cross-sectional and follow up data from a field study. Regression and path analysis revealed that: (a) Ongoing changes are associated with negative emotions (b) This relationship between ongoing changes and emotions is mediated by the three proposed antecedents; and (c) negative emotions predict employee lack of trust and employee withdrawal, both immediately and one month later.

Schraeder et al. (2006) examined employee involvement, attitudes and employee reactions to specific technological changes and the job related attitudes of these employees. Results of this longitudinal study indicate that individuals involved in making decisions related to the technology changes reacted more positively to the changes than individuals with low level of involvement. Further, the results indicate that individuals with higher pre-change levels of role ambiguity reacted more negatively to the technology changes.

Osman Gani (2006) investigated the human resource development practices of organization in Singapore, where companies are continuously responding to rapid
technological changes in order to remain competitive. The result show similar pattern of responses across business sector; however some differences were found in the transport and communications sector. On the job Training was reported as the most frequently used training method to address organizational change needs.

Fedor, Caldwell and Herold (2006) investigated how organizational changes in 32 different organizations (public and private) affected individual’s commitment to specific changes and their broader commitment to the organization. The results indicate that both type of commitment may be best understood in terms of a 3-way interaction between the overall favorableness (positive/negative) of the change for the work unit members, the extent of the change in the work unit, and the impact of the change process was found to interact with the effects of work unit change on organizational commitment.

Rafferty and Griffin (2006) conducted a study on perceptions of organizational change: A stress coping perspective. The authors identified three distinct change characteristics: the frequency, impact and planning of change. R.S. Lazarus and S. Folkman’s (1984) cognitive phenomenological model of stress and coping was used to propose ways that these change characteristics influence individuals’ appraisal of the uncertainty associated with change, and, ultimately, job satisfaction and turnover intentions. Results of a repeated cross-sectional study indicated that while the three change perceptions were moderately to strongly inter-correlated, the change perceptions displayed differential relationships with outcomes. Findings also show that the planning of change was indirectly positively related to job satisfaction and indirectly negatively related to turnover intentions.
Smith (2008) conducted a study to examine the impact of structural change (structural empowerment) on project managers organizational commitment. The sample consists of 79 project managers. Findings of the study indicate that empowered project managers exhibit a strong commitment to organization.

Woods (2009) studied organization change: Its impact on identity, commitment, interorganizational perceptions and behavior. A mixed-method study was designed to measure the effect of organizational changes in professional military education had on identity, commitment, interorganizational perceptions and behavior of the resident students. The study found that while changes in identity and interorganizational perceptions were malleable, changes in commitment were more stable and less adaptable in response to organizational change.

Work commitment

Steers (1977) used two different samples of hospital employees and scientists/engineers, and demonstrated that work experience was a strong correlate of organizational commitment. Six antecedent variables (need for achievement, group attitude towards organization, organizational dependability, education, personal importance and task identity) were significantly and positively associated with commitment in both the samples (with the exception of education which was negatively related). Another four variables that were significantly related to commitment only in the hospital sample but not in the scientists and engineers sample were opportunities for optimal interaction, age, expectations and feedback. Moreover, commitment was found to be related to both desire and intent to remain with the organization. It was also found that commitment was related to attendance for the scientist and engineer’s groups but not for the hospital employees. An inverse
relationship was noted between organizational commitment and turnover in the hospital sample, which indicated that with higher commitment among employees there will be lower rates of turnover.

Richard (1977) conducted a research and found that demographical factors like, job characteristics and job experience influenced level of organizational commitment of employees.

Angel and Perry (1981) investigated the relationship between organizational commitment and organizational effectiveness. It was noted that for the workers' sample, the relationship between organizational commitment and organizational effectiveness (measured through organizational adaptability) was significant, but this did not hold for the managerial group. Neither absenteeism nor operating expenses (used as a measure of organizational effectiveness) showed a significant association with commitment. Tardiness was negatively correlated to organizational commitment. With respect to job demographics it was demonstrated that age was one of the positive correlates of commitment. Education tended to relate negatively with commitment: higher education was associated with emphasis on personal growth. It was expected that a lower degree of commitment would go hand in hand with higher educational levels. No significant difference was noted across racial and ethnic sub-groups, nor was a difference noticeable among employees whose income was not the primary source of family support. It was also noted that females were more strongly committed to their organization than males.

Johnston et al (1990) conducted a longitudinal study to assess the impact of selected organizational influences on sales people's organizational commitment during early employment. The study focused on how a change in three key
antecedents (leadership behavior, role stress and job satisfaction) influences the development of commitment and how changes in commitment, in turn affect, turnover intentions and behavior. Results suggest that role stress and job satisfaction (not leadership behavior) are significant contributors to the development of organizational commitment during early employment. The results also show that organizational commitment influences turnover through its significant impact on propensity to leave.

Cannings (1992) reported that corporate employees are merely attached to their firm rather than committed. A model of managerial loyalty was developed where loyalty was described as a function of percentage pay increase that an employee would require to leave the current firm for the alternative employment. This model gets strong support in case of turbulent environment (that is during privatization and de-regulation).

Zeffane (1994) examined organizational commitment and perceived management style using survey responses from 474 public and 944 private sector employees. Attachment to organization, flexibility and adoption, work discontinuity/change, tenure, and number of employees were also assessed. Private sector employees had higher organizational commitment and scored higher on flexibility and adoption than public sector subjects. Tenure and supervision also had some effect on organizational commitment but more so in terms of feelings of attachment to the organization (for tenure) and in terms of feeling of loyalty/citizenship (for supervision). Variations in management style were found to have significant effect on employee commitment but more so in terms of the degree of emphasis on the flexibility and adoption that they perceived. Organization size had a moderate negative effect on organizational commitment especially in the private sector.
Lahiry's study (1994) of a large public sector undertaking attempted to establish a relationship between organizational culture and the three components of organizational commitment, namely affective, continuance and normative commitment. It was found that while a high level of continuance commitment may keep an employee tied to an organization, it is unlikely to produce a high level of performance.

The study conducted by Wilson (1995) to examine the effects of power and politics on organizational commitment. Two theoretical explorations for organizational commitment were developed which incorporates independent variables (1) a power based theory of commitment (including sub-unit power, leadership power and leadership behavior variables) and (2) theory of politics (including “arbitrary personnel practices” and the “political control” variables). The theories were tested on a group of 492 senior executives service managers in the federal government who completed commitment scale which measured strength of loyalty, involvement and identification with their sub units. Results provide empirical support for the effects of the team power, good leader-member relation, and political control on the commitment levels of top executives in the federal government.

Russ and McNeilly (1995) found that gender moderated the connection between organizational commitment and turnover intention, and experience and performance were found to moderate the connection between job satisfaction dimensions and organizational commitment. The moderating effect of gender and experience together showed the significant joint effect of both on the connection between turnover intention and organizational commitment.
Sommer, Bac and Luthans (1996) analyzed whether demographic and situational factor identified in US based literature had the same influence on the commitment of 1192 employees of 27 large Korean firms. Consistent with US studies, the Korean employees' position in the hierarchy, tenure in their current position and age were all significantly related to organizational commitment. Total tenure and education were not found related to commitment all the situational antecedents, except management style were significantly related. It is interestingly observed from the study with the increase of organizational size, commitment decreased whereas the structure become more employee oriented, the commitment witnessed to be increased; and the more positive perception towards organizational climate, the more the commitment. This study provides the beginning evidence and suggested that the theoretical constructs predicting the organizational commitment of employees may have cross cultural validity.

Meyer, Irving and Allen in (1998) tested the hypothesis that the influence of early work experiences on organization commitment would be moderated by the value employees place on these experiences. Work values were measured in 2 samples of recent university graduates prior to organizational entry, and measures of commensurate work experiences and three forms of commitment (affective, continuance and normative) on different occasion following entry. Regression analysis revealed that values and experiences did interact in the prediction of affective commitment and normative commitment but that the nature of interaction was different from different work values/experience combinations. The findings provide some challenge to the common-sense assumption that positive work experience will have the strongest effect on commitment among those who value most such experiences.
Meyer, John, Natalie (1998) conducted a study on commitment in a changing world of work. The Canadian workplace is undergoing extensive changes that have the potential to alter dramatically the psychological commitments that employees experience with regard to their work. The purpose of this article is to examine the interplay between the changes and employee commitment. The potential impact of these changes on employees' commitment is then discussed with respect to three selected themes: changes in the nature of employees' commitment to the organization, changes in the focus of employees' commitment and the multiplicity of employers and employee relationship within the organization.

Patel (1999) investigated the impact of age on job involvement and organizational commitment of nationalized and Co-operative bank employees in India. Results show that younger subjects (aged< 35 years) of both the nationalized and co-operative banks exhibited less job involvement and organizational commitment than did middle aged (aged 35-45 yrs) and older subjects (aged> 45yrs). The only significant difference between employees of these two kinds of banks were that middle-aged nationalized bank employees showed more commitment than middle aged employees of co-operative banks.

Finegan (2000) investigated the relationship between personal values, organizational values and organizational commitment. 121 employees from a large petro-chemical company rated 24 values with respect to how important the value was to the organization. It was found on the basis of hierarchical multiple regression analysis that commitment was predicted by the employees perception of organizational values. Furthermore, affective, normative and continuance commitment were predicted by different clusters of values. This study also highlights
the importance of recognizing that values are multidimensional and that each value cluster may affect behavior differently.

Lok and Crawford (2001) studied the relationship between employees' perceptions of organizational culture and sub-culture, and job satisfaction and commitment. The results suggest that managers may need to focus more on organizational sub-cultures in generating greater commitment among employees.

Rhodes, Eisenberger and Armedi (2001) examined the interrelationships among work experienced perceived organizational support, affective commitment and turn over. Using a diverse sample of 367 employees drawn from a variety of organizations, study 1 found that perceived organizational support mediated positive associations of organizational rewards, procedural justice, and supervisor support with affective commitment. Study 2 examined changes of perceived organizational support and affective commitment in retail employees over a 2 year span (N=333) and a 3 year span (N= 226). Perceived organizational support was positively related to temporal changes in affective commitment, suggesting that perceived organizational support leads to affective commitment whereas study 3 found a negative relationship between perceived organizational support and subsequent voluntary employee turnover that was mediated by affective commitment in retail employees (N=1124) and in poultry and feed processing workers (N=262). These results suggest that favorable work conditions operate via perceived organizational support to increase affective commitment, which in turn decreases employee withdrawal behavior.

Cho and Lee (2001) examined public and private managers perceptual and attitudinal differences associated with organizational commitment. The questionnaire assessed perceived role ambiguity, authority and centralization, and prestige of
employing organization, job satisfaction, reward inequity and personal investment variables (age, tenure, educational attainment). Public managers scored higher on perceived job prestige and perceived centralization than did their counterparts in the private sector. There were no significant differences in the dimensions of commitment to stay, job satisfaction, and perceived inequity between the two sectors. It is concluded that one of the powerful antecedents of organizational commitment in the public sector is job prestige perceived by public managers.

Stingl Hamber & Vandenberghe (2003) examines the job attitudes of people who hold more than one job satisfaction, stress and organizational (continuance and affective) commitment were assessed for both primary and secondary jobs for 83 full-time workers who held two jobs concurrently. He found that holders of multiple jobs had higher satisfaction, higher stress, and higher affective organizational commitment with their primary job compared to their secondary jobs.

Lok & Crawford (2004) conducted a study to examine the effects of organizational culture and leadership styles on job satisfaction, and organizational commitment in manager. Results showed that innovative and supportive cultures and a consideration leadership style had positive effects on both job satisfaction and commitment. And it was also found that participant’s level of education was found to have slightly negative effect on satisfaction and had a slightly positive effect on commitment.

Popoola (2006) conducted a study on personal factors affecting organizational commitment of records management personnel in Nigeria state universities. Simple cluster sampling used to select 180 records management personnel from the study population. The result showed that sex, age, marital status, length of service, and level
of education affect the organizational commitment of the subjects. This study advocated for improved conditions of services to enhance organizational commitment of records management personnel in the state universities in Nigeria.

Cunningham (2006) investigates that (a) the relationship between affective commitment to change and turnover intentions was fully mediated by coping with change, (b) the relationship between continuance commitment to change and turnover intentions was only partially mediated by coping with change, and (c) normative commitment to change had a direct impact on turnover intentions. Results are discussed in terms of implications for managing organizational change. The purpose of this study is to integrate and expand this research by examining the relationship among commitment to change, coping with change, and turnover intentions.

Armenio Rego et al., (2008) studied the impact of five dimensions of workplace spirituality - team’s sense of community, alignment with organizational values, sense of contribution to society, enjoyment at work, opportunities for inner life on affective, normative and continuance commitment. The findings suggest that when people experience workplace spirituality, they feel more affectively attached to their organizations, experience a sense of obligation/loyalty towards them, and feel less instrumentally committed.

Sundas Warsi et al. (2009) conducted a study on relationship between organizational commitment and its determinants among private sector’s employees. The focus of the study is towards analyzing the general behaviour of the employees towards work motivation and job satisfaction which may build higher levels of organizational commitment. The sample consists of 191 male and female. Result showed that positive and significant relationship exists between work motivation,
overall job satisfaction and organizational commitment. The impact of job satisfaction on organizational commitment is found relatively stronger than that of the work motivation on organizational commitment.

**Null Hypotheses**

**Ho.1** - Structural change—a dimension of organizational change will not significantly influence work commitment as a whole or its any dimension of the total sample.

**Ho.2** - Structural change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the male or female group of employees.

**Ho.3** - Structural change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the employees below or above 29 years.

**Ho.4** - Technological change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the total sample.

**Ho.5** - Technological change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the male or female group of employees.

**Ho.6** - Technological change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the employees below or above 29 years.

**Ho.7** - Cultural change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the Total sample.
Ho.8-Cultural Change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the male or female group of employees.

Ho.9—Cultural change—a dimension of organizational change will not significantly influence overall work commitment as a whole or its any dimension of the employees below or above 29 years.

Ho.10—Total organizational change will not significantly influence work commitment as a whole or its any dimension of the Total sample.

Ho.11—Total organizational change will not significantly influence work commitment as a whole or its any dimension of male and female group of employees.

Ho.12—Total organizational change will not significantly influence work commitment as a whole or its any dimension of the employees below or above 29 years.