AN EMPIRICAL STUDY OF THE FACTORS INFLUENCING EMPLOYEES ATTITUDES FOR ORGANIZATIONAL CHANGE IN NGO SECTOR (SPECIAL REFERENCE TO EASTERN PROVINCE)

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ABSTRACT
With the objective of found the influence of the employees in the organizational change activities this study was conducted. None of the change program can be implemented without the support, acceptance of members of the organizations. Through the literature supports, two independent variables such as organizational factors (communication of change and training for change) and employee’s personal factors (personal beliefs, feeling component and action component) were identified to measure the employee’s attitudes towards organizational change which was measured in terms of (receptivity to change, readiness for change, and trust in management).

To systematically investigate the issue, the study was administered in Eastern Province of Sri Lanka among 125 employees working for different NGOs at different levels. Descriptive, correlational and regression analysis was used to analyze the collected data. Majority of the respondents didn’t feel that their management are supports the change effort efficiently were revealed through this study. Only about 25% of the respondents shared positive attitudes where there were approximately 20% were neutral. The young, more educated and those who were working lesser period or on contract basis expressed a negative attitude towards the organization’s change.

The correlation analysis indicates that organizational related factors ($r= 0.922$, $p=0.000$) and employee’s personal factors ($r= 0.771$, $p= 0.000$) were strongly related to employee attitude for organizational change. The influence of those variables was found by Regression analysis, which indicates, adjusted $R^2=0.918$, emphasizing 91.8% influences and model can be considered to be a fit to the context. The study recommends the management of NGOs to focus on creating an organizational culture that values coordination, integration and communication across the organization and on improving the management activities and business practices in order to enable a working environment in which their staff can flourish and support for any organizational change initiatives.

Keywords: Organizational Change 1, Employee Attitude 2, Readiness for Change 3, NGOs 4.

Introduction:
Organizations are continuously provoked with developments in their environment that force them to introduce changes in culture, structure, processes and strategies (Armenakis et al., 1993). Organizations are forced to change and implement downsizing, restructuring and other organizational changes in times of economic crises. Changes are inevitable for organizations as well. There may be several reasons such as government policies, international business policies, fast growing technologies, socio-environmental issues, economic issues such as financial crisis, donor policies & priorities, declining donor funding etc., influencing these changes. Whatever the reasons are, organizations need to adopt the change in order to survive in the business and to be effective and efficient.
Today, there is a growing understanding of organizational change as a crucial vehicle to deal with increasing internal and external pressures of the environments. In this situation of continuous pressure to change, an organization’s absorptive capacity in terms of change has become more important than ever before (Iverson, 1996). Organizations around the world, whether they are governmental or non-governmental, profit or non-profit, small or large, national or multinational, are engaged in change initiatives. Many organizational change efforts fail to meet the proposed objectives leading to negative impacts on organizations and employees such as wasted resources, sunk costs, and low productivity.

Organizations mainly rely on employees to produce and deliver high-quality products and services. Employees are impacted by a variety of forces which are both internal and external, when they attempt to perform their job duties. Employers who are aware of these forces, and who are prepared to leverage or counteract them, can increase productivity and loyalty. Even though, employees are influenced by both internal and external forces, but the impact of these forces depends a great deal on the controls within the organization (Wickramasinghe., 2001). Organizations should be intelligent to anticipate and plan for both internal and external influencers in this regard. By remaining aware of how these internal and external factors could impact employees, organizations, their HR departments and managers can be prepared to respond to changing employee behavior. Negative behavior could be dictated by feelings of anger, confusion and depression which will creates unhealthy situation in the organization. Change needs to start with individual change, and unless the majority of individuals change their attitudes or behaviors, no organizational change occurs (Alas, 2007). Attitudes and behaviors about organizational change are often cited as a crucial factor in determining the success of organizational change (Herold et al., 2007).

Eastern Province, being directly faced the consequences of the three decades old civil war, multiple displacements, ethnic riots and the natural hazards including the 2004 tsunami, have been one of main hubs of NGO activities and been occupied by every INGO, NNGO and UN Agencies. (IRED, 1991). In one way, it has been a golden era in the districts as there were NGOs readily available to help the needy people. It would had been a severe human crisis for the government to control if these NGOs were not being there. There had been large presence of NGOs in all three districts of Eastern Province with their own office and administrative set up and the budget spent by these NGOs was much bigger than that was spent by the GoSL. However, the presence and operation of NGOs started to rapidly decline since 1998/1999 due to varies reasons including the restrictions & various controlling mechanisms enforced time to time by the GoSL on NGOs. Closing down of offices, downsizing, merging, handing over, shifting, and so on were the frequently heard messages from the NGO community during the recent past years across the province. With the objective of understand employees’ attitudes for organizational change in NGOs and to identify the factors influencing on these, this study was conducted. Therefore, it is expected to be a significant tool for NGO managers who are managing or planning new organizational changes and for researchers who want to study similar areas of topics in future. The overall objective was to understand employees’ attitudes for organizational change in NGOs and to identify the significant factors influencing those employees’ attitudes.

Theoretical Framework
Change is focused with the development of organization. It is used to solve the problems and challenges of the organization force from environments. Problems and challenges are generated by competition, advanced technologies, mergers, expansion, product quality maintenance, enhancing employee efficiency for rapid growth, new business ventures, exciting opportunities, innovations, and new leadership and management approaches (Madsen et al., 2005). Organizational change making the organization by shifting from one stage to another or it is concerned with breaking down existing structures and creating new ones (Chonko, 2004). Change might be...
small or large but are concerned with improvement, variation, alteration or modification of something (Bennett, 2001) which of the source is both internal and external pressures to respond to challenges.

Potentially change in organization is referred to as chaotic and dramatic (Abrahamson, 2000), because transferring from a known to an unknown position can develop particular uncertainties, anxiety and ambiguities. In this situation, employee can develop different thoughts, feelings and behaviors towards the situation which might involve painful learning and relearning and create a feeling of uneasiness and tension. It is important to remember that humans have different individual experiences, motivational levels, socio-demographic characteristics, knowledge, attitudes, support systems, values, and behavioral patterns (Ilgen and Pulakos, 1999). Employees approach towards organizational change in different ways as some individuals perceive that it can provide opportunities for learning and growth, while others view it as a threat.

Successful adjustment to change can result in higher levels of enthusiasm providing opportunities for learning and growth, while poor adjustment to change is characterized by feelings of uncertainty, frustration, alienation, and anxiety, particularly in relation to issues of job security, status, work tasks, co-worker relations, and reporting relationships (Ashford, 1988; Holt et al., 2007). Thus, the organization need to know the maximum level of employee readiness predictors so that management can endeavor to understand the maximum level of individuals’ beliefs, intentions and perceptions during implementation of change programs. Competing with important and often unknown challenges, managers of organizations are anxious to know how to survive for future and stay competitive. Change agents and practitioners suggest that an organization must change its policies, strategies, structures, approaches, culture, and procedures to compete (Cummings and Worley, 2005). Change may be small or large, quantum leap or incremental but requires proper attention because its consequences affect organizational performance, development, reputation, competition and future survival of the organizations.

Vakola and Nikolaou, (2005) revealed that stress due to organizational change is caused not only by the organization but a major source is employees within the organization. Beliefs, behaviors and attitudes of different employees might be different in same job and the same place because of different individual perception levels. Thus, it is difficult for change promoters and practitioners to anticipate the individual employee disposition level to manage the change program. The sole desire of the organization is getting positive results to change initiatives, and in order to achieve that managers and change promoters need to know more employee readiness predictors.

The existing literature on change management supports the idea that main focus has been concentrated on employee attitudes, behaviors, perceptions and beliefs which depend upon past experience, current situation, and future perspectives (Bernerth, 2004). Lines, (2005) mentioned with regards to attitudes and behaviors, employee may have a positive or negative judgment of a change implemented by the organization. in addition, Armenakis et al. (1993; 1999) point out that employee positive response is viable towards change because of the level of their involvement. Viewing employee as a centrifugal force, researchers in the main have focused on employee issues to support the development of positive behaviors and attitudes (Madsen et al., 2005; Rafferty and Simons, 2006; Cinite et al., 2009). These issues can be broadly classified into two categories like individual and workplace factors. Cunningham et al. (2002) advocate the idea that research on individual, process, and workplace factors in readiness for organizational change is important to success.

**The Role of Employee in Organizational Change**

Organizations today need to change the status quo for future survival and staying competitive in the way of achieve their objectives and goals in a challenging situation. This change might involve a transformation of strategies, cultures, structures, approaches, or processes that may overcome the challenges of organizations (Cummings and Worley, 2005). Potentially change involves tracking the new situation with respect to need and capability of the organization. Researchers and practitioners are interested to know how to deal with unknown situations created.
by organizational change. Furthermore, domain literature describes that by changing the status quo or any transformation, those primarily affected are employees whose response might be positive or negative (Rafferty and Simons, 2006; Holt et al., 2007). Although the literature points out that employee openness regarding acceptance and resistance depends upon their attitudes and behaviors with respect to the workplace and individual context.

Beer and Walton, (1990), emphasized, the success of organizational change is often determined by employee attitudes and beliefs towards the change. Many researchers like Eby et al. (2000); Kotter (1996); and Martin (1998) focused on positive attitudes and behaviours to promote effective change programmes. Vakola et al. (2005) argue that employee can be happy or excited or angry and fearful when confronted by change. It shows that the individual’s perceptions towards the new situation primarily affect organizational change goals and objectives. Armenakis and Bedeian (1999) reported that “as open systems, organizations depend on human direction to succeed”. The response of employee towards change largely arises from his or her positive or negative perceptions. Employee positive response shows willingness towards change while negative reflects resistance. If employee response is negative, this means they don’t want to accept or believe and may intend to resist or quit. Given such a response, organization might face threats from employee, high turnover rates, uncertainty, frustration, lower efficiency, anxiety, and a decline in output and decreased organizational commitment (Martin et al., 2005). Conversely, a positive response shows employee readiness which can support the organizational change. This response may provide high commitment, low turnover, high performance and low absenteeism (Desplaces, 2005). Thus, in the domain of organizational change management, the human factor has been found to be the most crucial, complex and dominant factor in supporting effective and successful implementation of change in organization (Armenakis et al., 1993; Smith, 2005; 2006).

Organizational and Employee Personal Factor in Organizational Change

Covin and Kilmann (1990) found that management support and commitment, readiness for change, encouraging employee participation, good communication, and acknowledgement of a strong need for change were all perceived by the respondents as positive issues supporting changes. On the other hand, a lack of management support, forced change programs by top managers, unrealistic expectations, lack of employee participation, poor communication, and vague program purpose were believed to have negative impacts on change programs. Employee attitudes are essential for organizational change to an extent that negative employee attitudes –. i.e. skepticism and cynicism and resistance can easily nullify the change efforts (Eby et al., 2000). Attitudes toward an organizational change may vary among employees to a great degree because such attitudes are the products of a complex interaction of emotions and cognitive processes. While some employees perceive organizational change as a means of rejuvenation, evolution, improvement, and growth, others may perceive it as instability, disorder, unpredictability, and risk (Cochran et al., 2002); as a result, organizational change programs may create undesired responses such as stress, cynicism, reduced organizational commitment, denial, and resistance (Armenakis & Bedeian, 1999). Even at times when the employees are aware of a need for change, they may still resist change. That is because employees may believe that they will lose something valuable as a result of change. For example, a change effort may produce resistance when this change threatens an employee’s self-interest (Clarke, Ellett, Bateman & Rugutt, 1996).

Employees neither have the same level of receptivity to new ideas and change nor show willingness to consistently embrace new methods and contents. Receptivity provides a distinctive tool for the analysis of organizational change, and, therefore, understanding employees’ receptivity to change allows the change process to be managed accordingly (Armenakis & Bedeian, 1999). Cochran et al. (2002) found that all of the work orientation and perceptions of agency readiness scales were significantly associated with receptivity to change. According to
Armenakis, Harris, and Mossholder (1993), readiness for change is “reflected in the organizational members’ beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organizations’ capacity to successfully make those changes”. The first ‘unfreezing’ step of Lewin’s 3-step model is where an individual feels a discomfort with the old behavior and identifies a need for change. This is the readiness stage for change. Readiness is most often considered in conjunction with methods for reducing resistance. Trust has been defined in different ways and there is neither an agreement on universal conceptualization nor any method for measurement of trust (Rousseau, Sitkin, Burt & Camerer, 1998). Mayer and Davis (1995) defined trust as a “willingness to engage in risk-taking with a focal party”, while Rousseau et al. (1998) explained trust as “a psychological state comprising the intention to accept vulnerability based on the positive expectations of the intentions or behavior of another”. Communication is the key factor in the successful implementation of any change initiative (Hultman, 1998). According to Hall (1996), communication means the exchange of information and the transmission of meaning and it occurs in three directions such as upward, downward, and horizontal. It is very important in change management to provide good communication about organizational change, as lack of communication or poor communication can result in an unclear purpose of the change program (Covin & Kilmann, 1990). Clear understanding through open and honest communication is needed in order for the change to be made. Based on the above literatures, the Conceptual Framework was established. The conceptual framework demonstrates how the researcher theorizes the relationship among the factors to be important to the research problem.

The conceptual model explains that “Employees attitude towards organizational change” (Dependent Variable) is affected by the “Organizational related factors” and “Employee’s personal factors” (Independent Variables) either positively or negatively. Organizational factors (communication of change and training for change) and employee’s personal factors (personal beliefs, feeling component and action component) were identified to measure the employee’s attitudes towards organizational change which was measured in terms of (receptivity to change, readiness for change, and trust in management). The demographic factors such as gender, age, present rank, type of employment, level of education and years of service have been used as background factors to understand the profile of the study population. Based on the assumed relationship given in the conceptual model the following hypotheses were developed.

H1: There is a positive relationship between Organizational Factors and Employees Attitudes towards NGO change.

H2: There is a positive relationship between Employee’s Personal Factors and Employees Attitudes towards NGO change.

**Study Design**

This study is quantitative in nature. Quantitative research methods can be interpreted based on the philosophy of positivism, used to examine certain populations and samples. The research adopted with a self-administered questionnaire which delivered among the 125 employees working in NGOs and INGOs in different work locations.
in the province. The study samples included employees working at different layers such as junior level (e.g. Project Assistant), middle level (e.g. Project Officer) and upper level (e.g. Project Manager) and on different employment modalities such as temporary, contract, fixed term and permanent appointments. The study uses simple random sampling technique and this requires research instruments to collect data. The questionnaire had closed questions set to Likert scales. The collected data was processed with a statistical analysis which aims to test the hypothesis. This study has been developed with two hypotheses for testing.

Findings of the Study
According to the results, there were 41.6% females and 58.4% males among the respondents. NGOs are male dominant. Most of the respondents were between the age group of 25-40 years followed by 30.4% of respondents belonging to 18-25 years, 23.2% are of 40-55 year and 12.8% are of 55 years and above. This means that the majority of employees working for NGOs are energetic and young people. Further, majority of the population, 54.4% of the respondents were at junior level, another 28% were at middle level, 12.6% were at upper level and 4.8% were belonging to others such as minor employees. With regards to employment, 22.4% were on contract basis, 15.2% were permanent, 31.2% were on fixed term and 25.6% were on others modalities such as temporary, short-term and relief basis. Highest level of education of majority of respondents was GCE Advance level where there were 53 respondents, another 14 respondents were with GCE Ordinary level and 23 were with some technical diplomas. 21 employees were with a bachelor degree, 8 had done a master’s degree and surprisingly there were 6 respondents who holds higher than a master level educational qualification. Moreover, there were 23.2% of employees working for less than 1 year, 36.8% working for 1-5 years, 16.8% were for 6-10 years and 13.6% were working for 11-15 years. There was another 9.6% working for more than 16 years. It was observed that employees with more years of service expressed high level of commitment toward their organizations.

Descriptive and Correlation Analysis
Descriptive Statistics indicates the respondents are in average satisfaction to all the facts pertaining to independent factors that are, Organizational Related Factors (ORF) at a mean value of 3.18 and standard deviation of 0.521, and Employee personal Factors (EPF) at a mean value of 3.72 and standard deviation of 0.671. The facts pertaining to the Employees Attitudes Towards Organizational Change (EATOC) is at a mean of 3.51 with standard deviation of 0.487. According to correlational results, the Pearson Correlation Analysis shows that the linear relationship between Employees Attitudes Towards Organizational Change and Organizational Related Factors is 0.922 and it is positive relationship and statistically significant at 1% level (p<0.01), and the relationship between Employee’s Personal Factors and Employees Attitudes Towards Organizational Change is 0.771. It is also positive relationship and statistically significant at 1% level (p<0.01). This indicates that there is a strong relationship between them. Thus, the research accepts alternative hypotheses and rejects the null hypotheses that state there is no relationship between Organizational Related Factors and Employees Attitudes towards Organizational Change and Employee’s Personal Factors and Employees Attitudes towards Organizational Change from the INGO context.

Regression Analysis
Regression analysis helps to identify, how the dependent variable changes when there is a change in independent variables, the researcher has built up two hypotheses to prove the relationship in between the factors of organizational change with employees’ attitudes towards the change. Regression analysis is the ideal tool to identify the impact or significance of one variable to another. The Multiple Linear Regression (MLR) analysis was carried out to investigate the impact of these two independent variables to the dependent variable.
Table 1: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.959a</td>
<td>.919</td>
<td>.918</td>
<td>.14816</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Organizational Related Factors, Employee Personal Factors
b. Dependent Variable: Employees Attitudes Toward Organizational Change
(Source: Survey Data)

According to the model summary, the $R^2$ value indicates how much of the total variation in the dependent variable can be explained by the independent variables. In this case, 91.9% impact can be explained the said variables. Thus, these variables explain around 92% of variation in Employees Attitudes towards Organizational Change is explained by Organizational Related Factors, Employee’s Personal Factors. Organizational factors were first influencing factor in this context. The remaining 8% of variability is due to other unexplained factors. Anova results express that there is a significant relationship between dependant variable and independent variables. The table indicates the statistical significance of the regression model is less than 0.05 ($p < 0.05$) and indicates that overall the regression model statistically and significantly predicts the outcome variable (i.e. it is a good fit for the data). It is explained as follows;

Table 2: Analysis of Coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.049</td>
<td>.071</td>
</tr>
<tr>
<td>Organizational Factors</td>
<td>.715</td>
<td>.032</td>
</tr>
<tr>
<td>Employees’ Personal Factors</td>
<td>.255</td>
<td>.025</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employees Attitudes Toward Organizational Change
(Source: Survey Data)

From the above model individual parameters are statistically significant ($p = .000$) whereas constant is not significant ($p = .493$). Thus, those independent variables statistically contribute significantly to the model.

Conclusions and Recommendations

With regard to the Objectives, the findings revealed that the most significant organizational and employees related factors which influencing attitudes for organizational change. And it demonstrated a significant impact on the organizational factors and employees’ attitude for NGO change. Further, the findings demonstrated that among other factors, personal beliefs, feelings and action components of the employees are the most significant factors that had a significant effect on employees’ attitudes.

From the finding and conclusions arrived, it is obvious that the change efforts undertaken by the NGOs have, in many cases, failed to produce the expected outcomes due to several reasons. The study therefore strongly recommends the NGO managements to ensure the following before and during a change initiative:

- Identify clearly and in detail for change, change areas, change steps, the intended benefits of change program can bring to the organization and to the employees.
• The senior management and the change agents should take into serious consideration the human factor in the planning of any organizational change program in their organization.
• Should identify and evaluate the sources of possible resistance prior to change implementation and have a clear strategy to address them effectively.
• Establish good communication between the employees and the management which is the key for change. Keep all relevant employees systematically informed of change programs.
• Focus more on training the employees adequately for organizational change that will mitigate negative employee attitudes.
• Create a better organizational culture that value coordination, integration and communication across the organization.
• Enable a working environment in which their employees can flourish and support for any organizational change initiatives.

Implications of Findings
The variables that were found to be significant predictors in this study can be either facilitators or barriers for the implementation of organizational changes. Employees that scored low levels in these significant factors will have negative attitudes toward organizational change. Negative attitudes are likely to result in resistance to organizational change, which may be very harmful for organizations. As long as an employee does not believe that organizational change programs would produce serious negative consequences for him, he may still support the change program. In order to prevent or mitigate negative attitudes, this study proposes, among others, good communication and training as the classic solution.

Only a limited number of predictor variables were used to keep this research manageable. There are several other variables as well. For instance, job satisfaction and work-related stress may influence employee attitudes as well. These can be added to the model to make it a comprehensive study. No specific change program was subjected in this study and the data was collected at one point in time (cross-sectional data). A future study can take a specific change program that to be evaluated over some periods of time by longitudinal studies. For instance, an employee attitude survey can be administered prior to a specific change program. Such a survey identifies trends in employee perceptions and attitudes toward change. The same attitude survey can also be used one more time during the change program implementation and the comparison of both survey findings may provide valuable information for the change agents. Thus, such a longitudinal method helps researchers control the dynamic nature of employee attitudes as well as the change process to some degree. This study provides a first step to understand the importance of employee attitudes in the change process and the significant factors affecting those attitudes. Since organizational change is inevitable for NGOs and it is difficult to implement change programs in such organizations, further research on employee attitudes toward change has much to offer the field of organizational change.

References


