EMPLOYEE RESISTANCE TO ORGANIZATIONAL CHANGE: A CASE STUDY OF MOBILINK

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ABSTRACT
Overall the globalization and dynamic business environment have restructured organizational management. This evolving scenario entails continuous upgrading, that makes organizational change as crucial strategy for long term survival. This research endeavors to identify the determinants of employees' resistance to organizational change. Primarily, this research focuses on examining that to what extent an employee's academic qualification might determine employees' willingness/ resistance to change. In this regard, this study investigates the organizational change process in the context of Pakistan Mobile Communication Limited (Mobilink), which acquired Warid Telecom (Warid) and went through restructuring due to merger of both companies. In this research, the different stratum of employees' educational qualifications were analyzed against the three aspects of change process; employees trust in management, management communication strategy/information exchange and employees involvement in change process. The research findings identifies that employees with higher level of educational qualification (Bachelor or Master's degree) are more eager to accept change within organization, , whereas, employees with lower level of educational qualification (matriculation and intermediate) are less ready to accept the change through showing high resistance towards organizational change. The novelty of this research is embedded in examining employee resistance within real work setting that recently has undergone to organizational change phenomenon.

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INTRODUCTION
The widespread acceptance of the notion of global economy has transformed the way the organizations are expected to be managed and sustain their competitiveness. This changing scenario is compelling the business organizations to find new horizons through collaborations, mergers and acquisitions (Franklin and Aguenza, 2015). These types of

organizational restructuring gaining popularity due to its potential of enhanced expertise, availability of adequate funds, larger market share etc. Although, different modes of restructuring are considered as inevitable elements of contemporary organizational development, however, the issue of organizational change and how employees perceive and react to this change has gained considerable attention (Yılmaza and Kilicoglu, 2013).

The Greek philosopher, Heraclitus has well said that change is the only constant thing in the life and this is evident as the change is being implemented in various organizations due to the prompt development all over the world. Change can either result from internal or external factors and could result in a complicated response from the employees, which can either be a support or resistance to change (Karamjeet *et.al.,* 2012). Primarily, resistance to change is conceptualized as an emotional response by the employees who are actually or thought to be affected by that change. Employee resistance to change has appeared as one of the common dilemma faced by the executives and managers in organizations (Karamjeet *et.al.,* 2012).

In order to cope with dynamic business environment, Pakistani organizations are also undertaking multiple initiatives and some of them include mergers and acquisitions. Although, a number of initiatives have been undertaken in various sectors, however, this research has its setting in Telecommunication sector. Notably, the telecommunication sector of Pakistan is growing at faster speed and referred as core component of service sector within national economy (Economic Survey of Pakistan, 2015-16). The telecommunication sector is expanding its service offerings and revisiting their organizational structure through adopting new methods and new strategies.

This research is aimed at analyzing organizational change phenomenon from employees' perspective and primarily focuses on examining the extent to which employees' academic qualification might determine employees' resistance/acceptance to change.

LITERATURE REVIEW

The extent literature highlights that the issue of employee resistance to organizational change has been investigated from different dimensions across different settings (Bateh *et.al.*, 2013). In this regard, the empirical research identifies that different perspectives have been applied to define resistance to change. These perspectives include defining resistance to

change from cognitive aspect, behavioural intention or as an emotional state (Piderit, 2000).

Prior research reveals that in terms of cognitive aspect, employees may develop a negative posture concerning organizational change, leading towards negative assumptions about the change (Stanley *et.al*., 2005). With regard to behavioural intention, employees' overt behavioural resistance to change might involve serious consequences, such as strikes, delays or destructive actions (Armenakis *et.al*., 1993). Moreover, resistance to change as an emotional state has been elaborated in terms of feeling irritated, worried and even depressed towards organizational changes (Bordia *et.al*., 2004). On the whole, the notion of resistance to change has emerged as a multidimensional attitude incorporating cognitive, behavioural, and emotional dimensions (Piderit, 2000).

Prior research also investigated various factors that could contribute towards development of employee resistance to change, In this context, Khan, *et.al*., (2016) reported culture and stress as two main factors that force employees to resist towards change. Fraklin and Aguenza (2016) stated that resistance to change might occur because employees feel comfortable with their status quo, lack of clarity regarding change, forced implementation of change and simultaneous implementation of multiple changes.

Malik and Masood (2015) asserted that resistance to organizational change is backed by the emotional and behavioural responses of the employees. Whereas, Muo (2014) emphasized that resistance to change is an obvious phase which cannot be neglected. Muo (2014) further added that resistance to change may occur due to the societal, economical and emotional motives, nature and structure of the organization and even groups within the organization might also develop resistance to change.

In terms of nature and structure of the particular organization, Yılmaz a and Kılıçoğlu (2013) stated that causes of resistance to organizational change in educational organization are mainly relate to selective perception, old habits, loss of freedom, economic implications, job security, fear of unknown, threats to power and knowledge/skills obsolescence.

Similarly, Singh, *et.al*., (2012) mentioned that resistance to change occurs, when employees feel disruption in his/her comfort level, routine, and norms. Moreover, Lunenburg (2010) highlighted that resistance to change might build up due to uncertainty, concern over personal loss, group resistance, trust in administration, awareness of weakness in

proposed change. It is of note that majority of the research concerning resistance to organizational change is focused on understanding the phenomenon and its causes. However, this research aimed at investigating resistance to change from demographic perspective i-e academic qualifications of employee. The main rational for conducting this research is embedded in a viewpoint that in service industry, such as telecommunication sector, employees with highest academic qualifications constitute the major part of the workforce, therefore, their perceptions and attitude towards organizational change are important factors to understand.

RESEARCH METHODOLOGY

This research is descriptive in nature and aims at analyzing the extent to which the level of employee's academic qualifications might determine their resistance / acceptance to organizational change. This research follows a case study strategy as it explores the topic in real life context. The key rationale concerning the selection of Pakistan Mobile Communication (Mobilink) as a case for this research is embedded in a fact that Recently, Pakistan Mobile Communication (Mobilink) acquired Warid Telecom (Warid) on 26th November 2015 (Techjuice, 2016) and went through merger transaction.

Primarily, the merger of two companies has exposed their employees to the number of organizational changes. Although, management of Pakistan Mobile Communication (Mobilink) claims this strategic move as key step towards availing competitive advantage in telecommunication market through reducing cost and enhancing revenue . However, this restructuring also has its own set of risk related to employee's resistance to change.

Keeping in focus the above mentioned scenario, the targeted population of this research study is comprised of all employees of Mobilink and Warid, who are experiencing organizational change (due to merger of both companies) and are now working under the management of Mobilink. At the time of acquisition Warid was having approximately 1,970 employees, while Mobilink was having 9,500 employees (Techjuice, 2016). So, the total population of the study is comprised of 11,470 employees. In terms of gaining access to participants, through non-probability sampling, 650 employees were approached for participation in survey questionnaire and out of which 500 participants responded successfully for this study, generating response rate of 77%.

The structured questionnaire used in this study was constituted of two sections A and B. In section A respondents were asked to provide information about their academic qualifications and four stratum of academic qualifications namely, matriculations, intermediate, bachelors and masters or above were mentioned. The section B was designed to gain employees' perceptions concerning organizational change and their level of resistance/acceptance towards it. In this regard, organizational change process scale developed by Oregs (2006) was adopted.

The Likert scale format (strongly agree, agree, disagree, strongly disagree) was used in section B excluding "neither agree nor disagree" option to avoid "not sure" category in order to have accurate and efficient results from the participants. In terms of checking the internal consistency of study scale, Cronbach's alpha was computed. The study scale's Cronbach's alpha was .89. The survey questionnaires were sent to respondents via emails. The covering letter attached with survey questionnaire emphasized on maintaining confidentiality and anonymity of participants.

RESEARCH HYPOTHESIS

H1: High level of educational qualification reduces the resistance to organizational change.

H0: High level of educational qualification escalates the resistance to organizational change.

DATA ANALYSIS

Through SPSS software, questionnaire data were analyzed. Concerning section A of questionnaire, which seeks information regarding respondents' academic qualifications, the frequency values were calculated. The purpose of this descriptive statistics was to identify the level of respondents' academic qualifications. With regard to section B of the questionnaire, organizational change process (Oregs, 2006) was studied from three aspects i.e. employee trust in management, management communication strategy/information exchange, involvement of employees in change process. The data acquired pertinent to section B were summarized by the descriptive statistics and Mean statistics for each question was calculated in order to analyze the responses of participant fall in each category.

Pertinent to employees' academic qualification, Table 1 indicates that 42% participants have highest academic qualification of matriculation and intermediate, 35% participants have completed bachelor's degree and 23% are post graduate having master's degree.

TABLE-1
A: **EDUCATIONAL QUALIFICATION**

	Frequency	Percent
Matric/Intermediate Level	210	42.0
Bachelor's Degree	175	35.0
Master's Degree	115	23.0
Total	500	100.0

The data collected through B section of the questionnaire were analyzed with the aim of identifying the level of resistance/acceptance to organizational change among different participants who possess varying level of academic qualification. In this regard, for analyzing the section B of the questionnaire, first the Mean statistics was calculated as it indicates the average number of participants settles on either agree or disagree scale. A Mean value close to 4 indicates that average participants agree with the statement, whereas, a Mean value close to 2 indicate that the average participants disagree with the statement. Notably, it is clear from the Table 2, that average number of participants has responded with agree scale as the mean is above value 3 (near to the value of 4).

TABLE 2
MEAN SCORES OF ORGANIZATIONAL CHANGE PROCESS SCALE

B1. Employees Trust in Management	**Mean**
B1.1 I believe that organizational change (Mobilink acquired Warid) is appropriate concerning the benefits of the employees.	3.15
B1.2 I believe that organizational change (Mobilink acquired Warid) is positive towards organizational success.	3.35
B1.3 I believe that organizational change (Mobilink acquired Warid) has no influence on the vested rights of the employees.	3.36

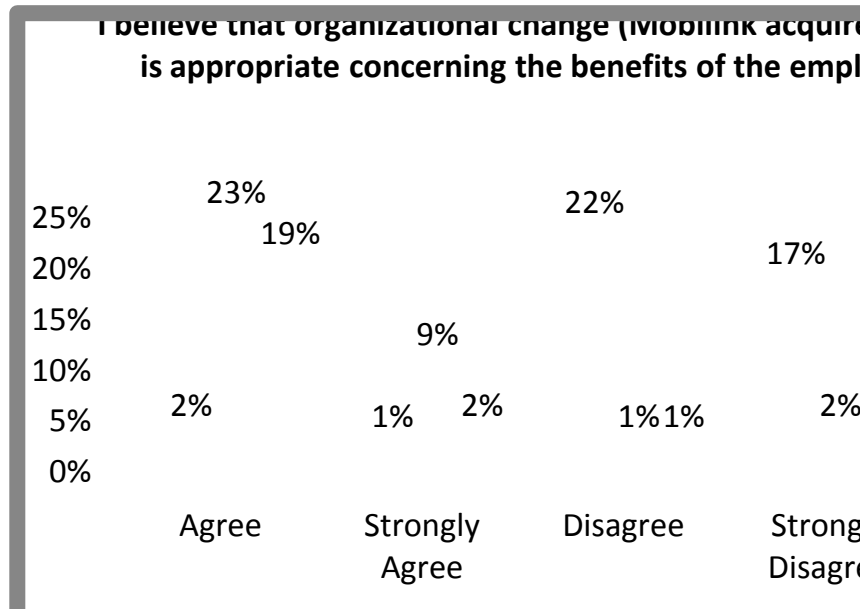| B2. Management Communication Strategy/ Information Exchange	Mean
B2.1 I was formally informed by management regarding the change.	3.54
B2.2 I was informed by management about the changes in my roles and responsibilities.	3.38
B2.3 In order to implement change successfully information should be communicated properly.	3.15

B.3 Involvement in Change Process	Mean
B 3.1 I believe that changes are useful for the success of organization.	3.15
B3.2 I was encouraged for providing my opinions and suggestions before or during the organizational change.	3.09
B3.3 I was encouraged to be involved and become a part of organizational change process.	3.16

For testing hypothesis, as mentioned below, the level of educational qualification with every factor of organizational change process was analyzed using the descriptive statistics data of three aspects of organizational change process in the context of Mobilink.
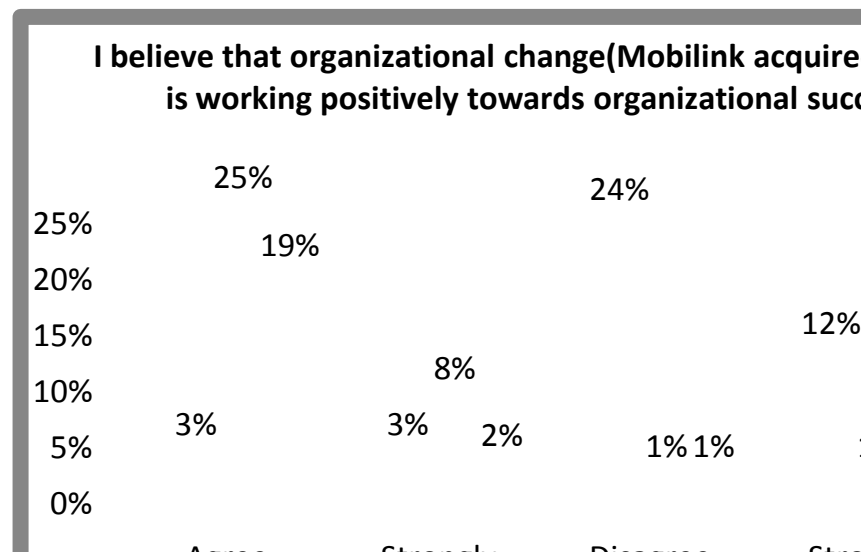
B 1. EMPLOYEES TRUST IN MANAGEMENT

Employees trust in management plays a vital role in the process of change. If the employees cannot trust the management than organizational change process cannot be successfully implemented. The study findings reveal that level of educational qualification demonstrates a vigorous part in developing employees' attitude towards organizational change. It is clear from the graphs (I, II, and III) that mostly Mobilink employees who have lower level of educational qualification (matriculation or intermediate) responded in disagree scale/option and shown resistance to change. And vice versa the employees with higher level of education (bachelor's and master's degree) reacted on agree scale/option and ultimately have an acceptance attitude towards the organizational change.

GRAPH-I

**I believe that organizational change (Mobilink acquire
is appropriate concerning the benefits of the empl**

25%	23%	22%	
20%	19%		17%
15%			
10%	9%		
5%	2%	1% 2%	1% 1% 2%
0%			
	Agree	Strongly Agree	Disagree	Strong Disagre

GRAPH-II

**I believe that organizational change(Mobilink acquire
is working positively towards organizational succ**

25%	25%	24%	
20%	19%		
15%			12%
10%		8%	
5%	3%	3% 2%	1% 1%
0%			
	Agree	Strongly	Disagree	Str

GRAPH-III

I believe that organizational change(mobilink acquired warid) has no influence on the vested rights of the employee

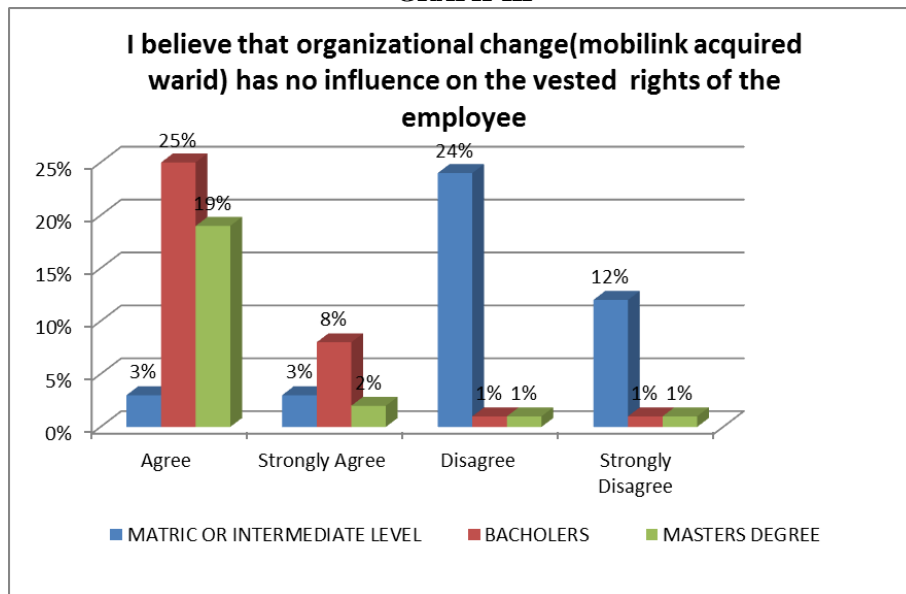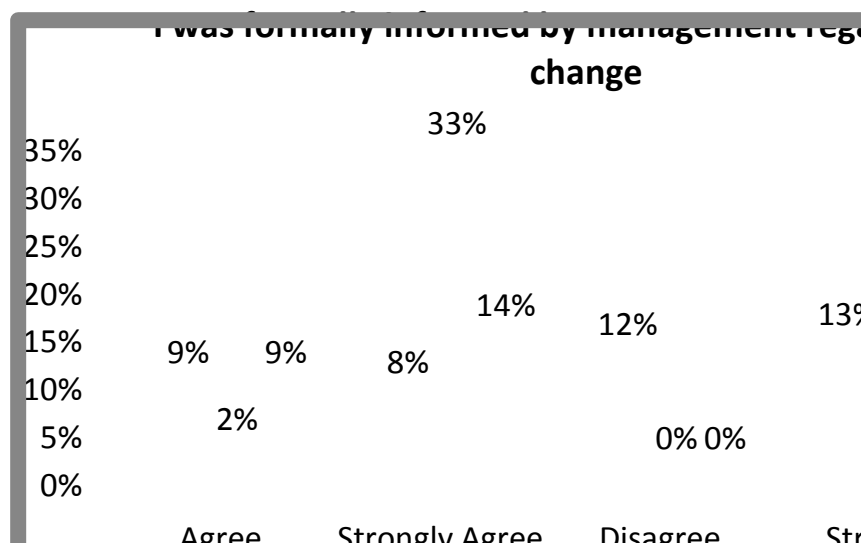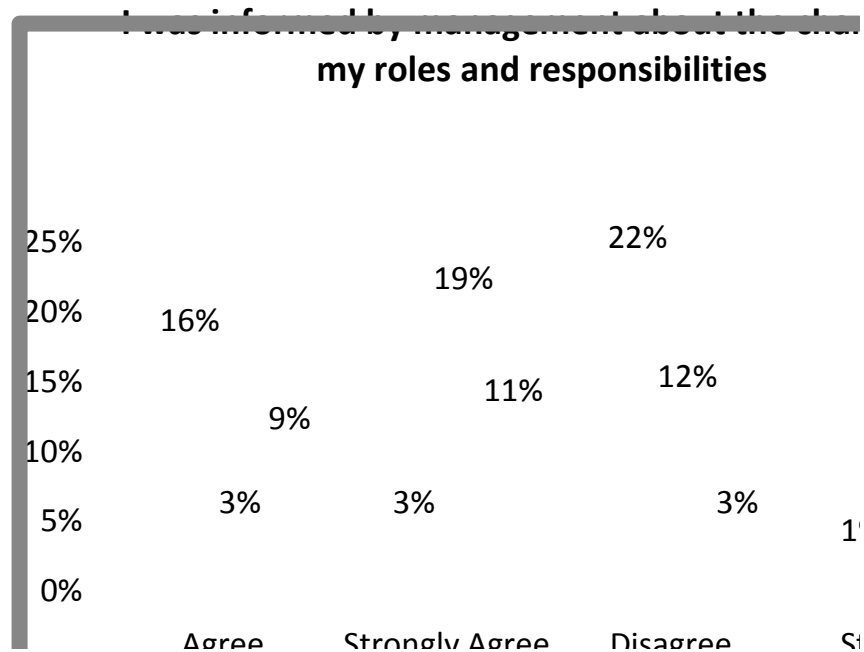**B.2 MANAGEMENT COMMUNICATION/EXCHANGING INFORMATION**

Communication /information exchange among employees and management has a distinct position in every workplace. The level of education qualification can influence employees' learning and can play a part towards the factors of resistance/acceptance to change. The study findings as reported in Graphs (I, II, III), identifies that majority of the employees with low level of educational qualification (matriculation and intermediate) responded in disagree scale/option and eventually showed resistance towards organizational change. Whereas, on the other hand, the employees with higher level of educational qualification (bachelor's and master's degree) shown eagerness towards acceptance to organizational change.

GRAPH-I

I was formally informed by management rega... change

35%

30%

25%

20%

15%

10%

5%

0%

33%

14%

12%

13%

9%   9%   8%

2%

0% 0%

Agree   Strongly Agree   Disagree   Str...

GRAPH-II

I was informed by management about the cha... my roles and responsibilities

25%

20%

15%

10%

5%

0%

22%

19%

16%

12%

11%

9%

3%   3%   3%

1...

Agree   Strongly Agree   Disagree   St...

GRAPH-III

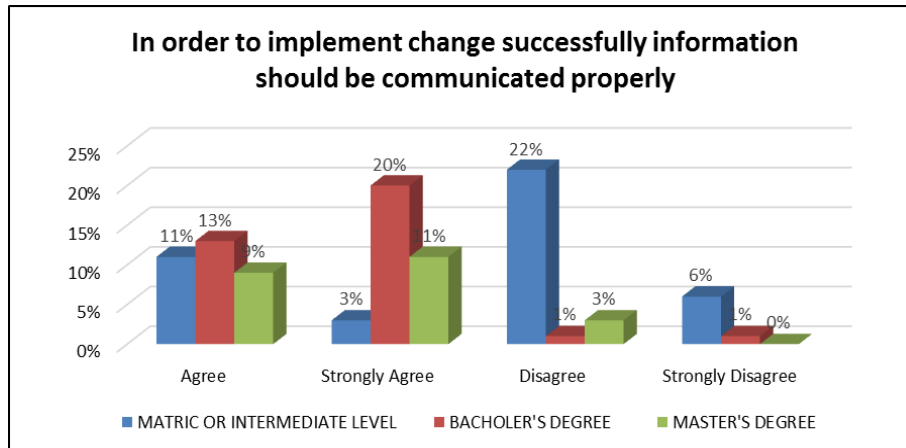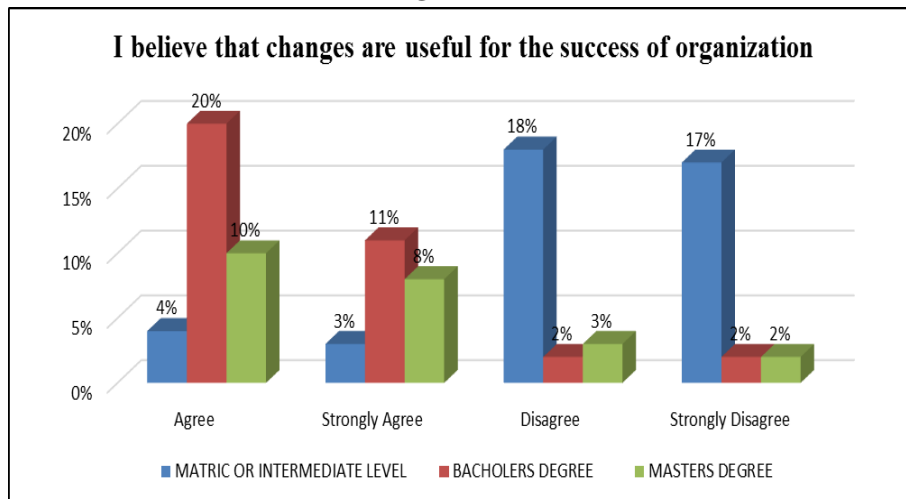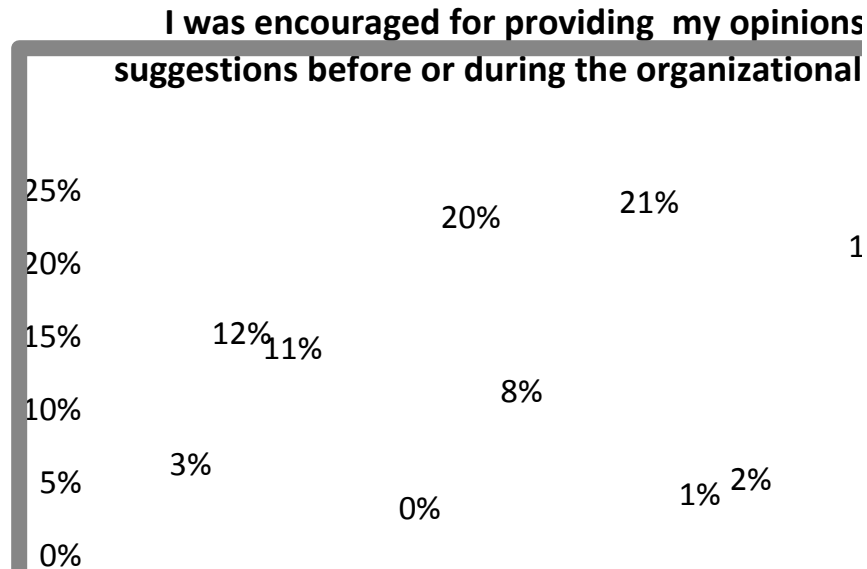In order to implement change successfully information should be communicated properly

B.3 EMPLOYEES INVOLVEMENT IN CHANGE PROCESS

Employee involvement has vigorous part in the process of organizational change. Employees that are not being considered to be the part of change process can resist towards change. The level of education has importance pertinent to employees' attitude towards change. The study findings reported in Graphs (I, II, and III) identifies that majority of the employees with low level of educational qualification (matric and intermediate) responded in disagree scale/option and ultimately showed resistance towards the organizational change.
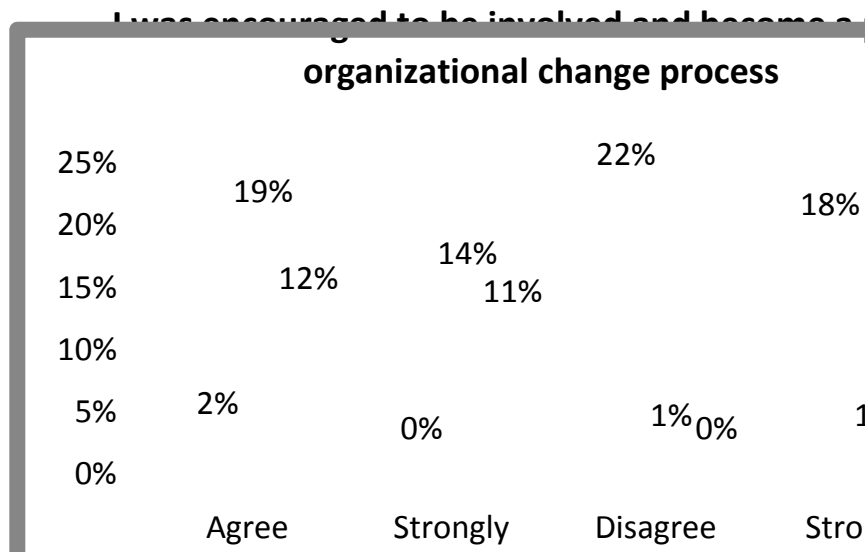
GRAPH-I

I believe that changes are useful for the success of organization

GRAPH-II

I was encouraged for providing my opinions
suggestions before or during the organizational

25%

20%   21%

20%   1

15%   12% 11%

10%   8%

3%

5%   1% 2%

0%

0%

GRAPH-III

I was encouraged to be involved and become a
organizational change process

25%   22%

19%

20%   18%

14%

15%   12%   11%

10%

5%   2%

0%   1% 0%   1

0%

Agree   Strongly   Disagree   Stro

After analyzing the level of employees' educational qualification with three aspects of organizational change process, it has been determined that the hypothesis H1 is accepted. This suggests that higher level of employees' education qualification reduces the employees resistance towards organizational change, whereas, low level of employees' educational qualification can increase employees' resistance towards organizational change.

TABLE-2
SUMMARY OF STUDY FINDINGS

Hypothesis	Results
H1: High level of educational qualification reduces the resistance to organizational change.	Accepted
H0: High level of educational qualification escalates the resistance to organizational change.	Rejected

CONCLUSION

From this study it could be concluded that level of employees' educational qualifications can play a significant role in determining employees' resistance to organizational change. These findings suggest that higher level of employees educational qualification creates a sense of open mindedness, creativity and more willingness to accept the change as they understand the importance of change in today's world of development, that no business can survive in such competitive environment without enduring change.

This study concludes that the employees with higher academic qualifications could help in successful implementation of change process through placing trust in their management. However, it appeared necessary that highly educated employees wanted to receive adequate information at every stage of change process and appeared enthusiastic to share their views and opinions. This refers that the provision of involvement in change process could significantly lessen employees' resistance towards organizational change.

Primarily, this research can help the managers in recruitment and training process to understand that the level of employee's educational qualification could determine their resistance/acceptance to organizational change. It is of note that while acknowledging the significance of this study, there is also need to take into account the limitations of this study. Primarily, these research findings may not represent the whole sector of telecommunication as it is analyzing the organizational change undertook in one company i.e. Mobilink. Moreover, a sample of 650 employees

may not represent the population of approximately 11,470 employees. Notably, these limitations also open up the avenue for future studies. The future studies may involve larger sample size, can also get viewpoint of the management and can use qualitative data along with quantitative data for further understanding of the issue.

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