

Effect of Resistance to Change on Employee Perceived Productivity: The Case of the Call Centre Industry in the Kingdom of Bahrain

Fatema Jasim Rajab*¹, Mark P. Doblas¹

¹College of Administrative and Financial Sciences, AMA International University-Bahrain

Abstract - When the organization implements any type of change, one of the major issues that may occur is employee resistance to change. This resistance, however, has not been fully linked with employee productivity as several studies have found conflicting results. In addition, little study has been conducted in gulf countries particularly in the call centre industry in Middle East countries like the Kingdom of Bahrain. Thus, this research seeks to explore the effect of resistance change on employee perceived productivity in the call centre industry in kingdom of Bahrain. Using descriptive research design, the study involved 120 conveniently sampled call centre agents of 4 major call centres chosen based on market size. The employees' population was taken from the period covering December 2019 to January 2020. An adopted questionnaire was used as a data gathering tool. Descriptive Statistics and Regression Analysis was conducted to analyse the data gathered. The study found that moderate level of resistance to change exists among call center agents in the Kingdom of Bahrain. In addition, the study found that over-all resistance to change negatively affects employees' perceived level of productivity. Specifically, psychological and cultural driven resistance were found to be statistically significant at 0.01 in negatively affecting the level of employee perceived performance.

Keywords: Call centre industry, employee productivity, psychological concept, Resistance to change.

INTRODUCTION

Recently the number of call centers increased in kingdom of Bahrain and now it's considering an important part of the local economy and play a vital role, because it's create a great job opportunity especially for fresh graduates. The perception of the call center industry it may change in the future. Bahrain have 40% lessor operating costs for rent, internet and telephone networks comparing to other countries in GCC, thus it's become a good option and destination in GCC and attracting also global outsourcing companies to start up their operation for the middle east in Bahrain. In addition, to improve the private sector in Bahrain Tamkeen support is available by providing the companies salary support and complete training for the employees.

Organizations realize that they need to implement changes to remain competitive, so organizations have no option but to change systems to survive. Nevertheless, in BPOs and call center industry many changes should be implemented. These changes are important for the employees especially that they are mostly outsourced and the rest of the organization service outsourcing will lead to many changes. Since the change processes are very important in the call center industry, organizations should be able to manage this change in an efficient way in order to overcome the challenges related to such. Change management is a method to transfer the employees, groups, and organization from the existing state to the new state. There are three main aspects of change management which are; implementing to change, monitoring to change and effecting to change (Tamilarasu, 2012).

^{1*}Corresponding author:

Email: fatema.rajab1993@gmail.com (F.J. Rajab), Email: mpdoblas@amaiub.edu.bh (M.P. Doblas)

iKSP Journal of Innovative Writings (2020) 1(2): 23-28

The employees are one of the most vital element that should be managed when the organization apply any type of changes since they form a basic unit in any organization. All employees who will be affected by the change process should be involved in the transition (Laurentiu, 2016). The main issue usually arises when the implemented changes are resisted by the employees. In fact, Harvey (2010) also said that resistance to change is very normal and natural in the change process. There are many reasons and factors that may cause the employees resistance to change. Harvey and Broyles (2010) identified different reasons for such resistance which includes personal, business and social.

On the other hand, organizations use employee's productivity to measure the organization efficiency level. Most of the time, organizations try to increase the productivity level of the employees who are ready to deliver better performance, innovation and creativity by implementing some of changes which should lead to enhance the efficiency (Boselie & koene, 2010). However, several studies have found that employees' willingness and engagement to change are directly related to employees' measures of performance and productivity. Employees level of resistance tend to be highly associated with low engagement and thus low productivity and performance. Moreover, employee productivity has a relationship with willingness to change. Put differently, employees who resist the changes implemented by management tend to be less productive and tend to exhibit less enthusiasm in work and future directions of the organization.

While these findings may be true to western countries, little study has been conducted in Gulf countries particularly in the call center industry. To the best of the researcher's knowledge, this would be the first attempt to explore the dynamics of change management and employee productivity particularly in the Call Center firms whose contribution to the Kingdom of Bahrain's Economy is well noted. Thus, this research aims to evaluate the extent of resistance of change in call center industry. In addition, the research will also assess how resistance to change affects the employee's productivity among selected call center firms in Kingdom of Bahrain.

THEORETICAL FRAMEWORK

This study anchored on two theories; first, Lewin's three step model (1947) and second Graetz (2006) theory resistance to change. Lewin's three step change model explains generally that change process contains three steps which are Unfreeze, Change and Refreeze. In order to achieve successful outcomes for the change process, organizations should implement this three steps: unfreeze the current status, apply the change, and make the change permanent by refreezing it (Robbins & Judge, 2011). In preparation for introducing the new change, it is required in this step to unfrozen the current situation. This is the hardest stage because individuals will realize that some changes will happen and resistance will arise from here. Managers should work in reducing the employee's resistance and enhance attractiveness in cases where resistance is very high. During this step, the communication with the employees regarding the change should be clear and employees should be involved in the process. Eventually this will lead to avoid high level of resistance and achieve successful results.

Step two is also referred to as the movement step. After unfreezing the existing situation, this step will require that management apply the change after identifying the operational level required. Here, organization will start to encourage the change process by putting in place the new rules, process and systems. In fact, it's important to apply the changes in a short period as longer period may cause more resistance. Robbins & Judge (2011) even said in previous studies that implementing the change in short period will help the employees realize quickly the importance of this change. In addition, communication and involvement of all individuals in the change should be intensive in this step because this will let them feel that this change will carry benefit for everyone in the long run.

Moving on, after implementing the change during the previous step, the third step asserts that the organization has to refreeze the change and make it permanent. During this step, employees may revert again to the previous habits, thus the organization need to stabilize the new situation so employees will be completely aware that there is no way to revert back to the old situation. To make it better, organization also should evaluate, monitor and make correction for the new situation if it's required. On the other hand, Graetz, Rimmer, and Lawrence, (2006) construct of resistance to change explains that there are several sources of resistance. He identified such

resources to four main perspectives Psychological concept refers to the resistance coming from of the human nature itself. It includes personal dislike of new things and human nature of avoiding uncertainty. System concept, on the other hand, is resistance to change that arises if the employees feel that the new system will bring modifications that will lead to them being required new skills and more work. In addition, institutionalized resistance happens if the employees believe that the change is not important and urgent. Finally, organizational culture resistance will occur in cases when the new change is contradictory to the employee's beliefs, behaviors and attitude. All causes, regardless of sources, are believed to result to changes in employee behavior. Whyte (2015) observed that among others, the discomfort to change usually results to negative response such as lowering of employee productivity. The mentioned theories served as basis for the development of research construct as will be discussed in the next section.

Change is a very broad area and required in every organization in a different way. When the organization implements any type of change, one of the major issues that may occurs is employee resistance to change which will affect employee's productivity. With this in mind, the researcher considers that the main reasons can be categorized under four perspectives which are psychological.

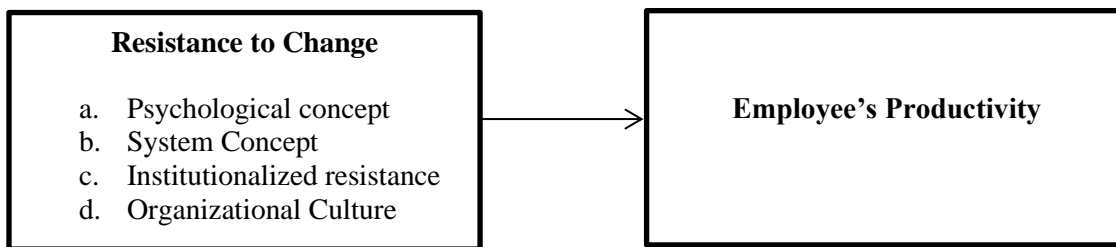


Figure 1: Conceptual Framework

The diagram (Figure 1) shows that interplay of variables as perceived by the researcher. Resistance to change will be taken as explanatory variable while employees' productivity will be taken as the effect variable.

RESEARCH HYPOTHESIS

With the mentioned research questions and objectives, the hypothesis below will be tested both at 0.01 and 0.05 level of significance.

H1: Over-all resistance to change does not significantly effect employee's perceived productivity.

H2: Psychological concept resistance does not significantly effect employee's perceived productivity.

H3: System Concept resistance does not significantly effect employee's perceived productivity.

H4: Institutionalized resistance does not significantly effect employee's perceived productivity.

H5: Organizational Culture resistance does not significantly effect employee's perceived productivity.

METHODOLOGY

The study utilized a descriptive research design since it is aimed at describing the impact, if any, of resistance to change to employee productivity. The study considered the selected call center companies in the Kingdom of Bahrain. Recently the number of call centers increased in kingdom of Bahrain and now is forming an important role of the local economy. The call centers were chosen based on market share relative to the entire call center sector's market base. The employees' population was taken from the period covered in this study (December 2019 – January 2020).

This study used proportionate stratified sampling, which is the most probable sampling design because the stratification provides the researchers more information with a given sample size. However, randomly choosing the respondents from the identified population will not be feasible due to the availability of the target respondents. Thus, non-probability convenience sampling was used in the study. In order to ensure that the result obtained from studying the samples can truly represent the population and can be generalized, it is important to determine the correct sample size. Using a 95% confidence interval and a + (-) 7% precision value, the researcher included 120 samples appropriate for the identified population size per published table.

The researcher used two questionnaires. The first by Self (2007) and second from the works of Baruch and Peiper (2000) which measures resistance to change and employee productivity respectively. To assess the impact resistance to change to employee productivity, simple linear regression was used. The computed R square and its significance were used to explain the explanatory power of the model being tested. Finally, each loading factors (the dimensions of resistance to change) was individually assessed as to its impact to employee productivity.

RESULTS

The research primarily aims to investigate the extent to which resistance to change, as assessed through the identified dimensions, affects employee perceived productivity. A regression analysis was done to see if the combined effect and the individual effects of the dimension of the independent variable cause significant variations in mean of the dependent variable.

Table 1: Regression Statistics

Multiple R	0.901521
R Square	0.812741
Adjusted R Square	0.806228
Standard Error	0.454585
Observations	120

Table 1 presents the regression statistics showing the extent to which the independent variable, resistance to change as a whole, causes the difference in mean of the dependent variable, employees' perceived productivity. As what can be seen from the same table, the computed Adjusted R square is around 80.62%. This would imply that roughly 81% of the changes in the level of perceived productivity can be explained by the changes in the level of resistance to change. The analysis of variance in the succeeding section will assess if this observed effect is statistically significant.

Table 2: Analysis of Variance

	Df	SS	MS	F	Significance F
Regression	4	103.1422	25.78556	124.7806	0.000**
Residual	115	23.76443	0.206647		
Total	119	126.9067			

***significant at 0.01*

Table 2 follows through the findings in table 1. The F value is computed to see if the observed effect in the Regression Statistics table is statistically significant or it simply happened by chance. As what can be gleaned in table 4.6, the computed F value of 124.78 is statistically significant at 0.01 level ($p < 0.01$). Over-all, resistance to change significantly affects employee's perceived productivity.

Table 3. Regression Coefficients

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	5.93741	0.14431	41.14348	0.000**	5.65156	6.22326
Psychological Concept System	-0.52422	0.081807	-6.40796	0.000**	-0.68626	-0.36217
Concept Institutionalized Resistance	-0.05373	0.099055	-0.54243	0.58857	-0.24994	0.142479
Organizational Culture	0.09778	0.094681	1.032725	0.30389	-0.08977	0.285325
	-0.38388	0.077471	-4.95516	0.000**	-0.53734	-0.23043

***significant at 0.01*

Table 3 takes the analysis at the individual dimension level by looking at the coefficients of each dimensions and computing their p values holding other variable constant at a time. As what can be gleaned from the same table, of the four dimensions, only psychological ($t=-6.40796$, $p<0.01$) and organisational culture ($t=-4.9552$, $p<0.01$) are significant at 0.01 while system and institutionalized concept are not. The negative coefficients also suggest that the effect of both significant dimensions to productivity is inverse; thus, the lower the extent of resistance in terms of psychological and organisational culture, the higher the level of perceived productivity.

In fact, a 0.52 unit decrease in employee resistance in terms of psychological concept results to a 1 unit increase in productivity. The same is true to organisational culture, for every 0.38 unit decrease in the extent of resistance in terms of organisational culture results to 1 unit of increase in productivity. Thus, while in an aggregate, resistance to change has a significant effect on employee's perceived productivity, only psychological and organisational culture dimensions serve significant in causing this effect and the observed direction of the effect is reversed. In terms of the individual dimensions, it can be recalled that only psychological and cultural rooted resistance were found to have significant negative effect on employee productivity. The very fact that it's almost embedded in an individual biology to react to any form of change makes psychological resistance to change more damaging to employee productivity. This might explain that among the four dimensions, psychological concept emerged statistically significant in decreasing productivity. The psychological aspect of resistance tends to highly affect optimism, confidence, and enthusiasm to do work and thus makes an employee less productive.

Table 4. Summary of Hypothesis Test Results

Hypothesis	Decision
Ho ₁ : Over-all resistance to change does not significantly effect employee's perceived productivity.	Reject
Ho ₂ : Psychological concept resistance does not significantly effect employee's perceived productivity.	Reject
Ho ₃ : System Concept resistance does not significantly effect employee's perceived productivity.	Accept
Ho ₄ : Institutionalized resistance does not significantly effect employee's perceived productivity.	Accept
Ho ₅ : Organizational Culture resistance does not significantly effect employee's perceived productivity.	Reject

Table 4 shows the results of the hypothesis test provide evidence to claim that over-all resistance to change significantly effects the level of employees' perceived productivity. Specifically, psychological and organisational culture rooted resistance tend to negatively effect the level of productivity the employees exhibit. Thus, higher the resistance in these areas, results to lower employer productivity.

CONCLUSION

With the major findings at hand, the researcher derived several conclusions. First, resistance to change is moderately existent in the call centre industry of the Kingdom of Bahrain. While it has been widely documented in western countries, this study provides evidence that resistance to change exist yet in a moderate level only in organizations in Middle Eastern countries particularly in the highly competitive call center industry. Second, the study also concludes that major triggers of resistance are psychological and cultural in nature. Thus, it can be argued that employees' resistance to change is more of a psychological and cultural phenomenon and does go beyond merely changing structures and organizational processes. Finally, the study found that resistance to change negatively affects employees perceived level of productivity primarily due to its psychological and cultural component. Higher level of resistance results to lower productivity. The major explanation of which is that resistance to change provokes psychological fear which affects employees' confidence to take initiatives and be innovative. Instead, the employee becomes more guarded and more concerned of protecting his or her interest against the uncertainty of the changes thereby exhibiting

unproductive behaviours. In addition, resistance to change also causes employees to be less open and less willing to share ideas and skills and to extend assistance to co-workers as the preconditioned social setting anchored on prior held organizational values are thought to be challenged by the planned changes of the organization.

REFERENCES

- Baruch, Y., & Peiperl, M. (2000). Career management practices: An empirical survey and implications. *Human resource management*, 39(4), 347-366.
- Boselie, P., & Koene, B. (2010). "Private equity and human resource management: 'Barbarians at the gate!' HR's wake-up call?" *human relations*, 63(9), 1297-1319.
- Graetz, F., Rimmer, M., Lawrence, A., & Smith, A. (2006). "Managing organisational change" John Wiley & Sons.
- Harvey, T. R., & Broyles, E. A. (2010). "Resistance to change: A guide to harnessing its positive power". R&L Education.
- Karanja, A. W. (2015). "Organizational Change and Employee Performance: A Case on the Postal Corporation of Kenya" *Change*, 7(11).
- Khosa, Z. M., Rehman, Z. U., Asad, A., Bilal, M. A., & Hussain, N. (2015). "The impact of organizational change on the employee's performance in the banking sector of Pakistan" *Journal of Business and Management*, 17(3), 54-61.
- Laurentiu, R. M. (2016). "Change management and its effects on organization". *Annals-Economy Series*, 5, 209-212.
- Lewin, K. (1947). *Frontiers in group dynamics: Concept, method and reality in social science; social equilibria and social change*. *Human relations*, 1(1), 5-41.
- Nwinyokpugi, P. (2018). "Organisational change management and employees productivity in the Nigeria banking sector." *IOSR Journal of Business and Management*, 20, 11-20.
- Robbins, S. P., & Judge, T. A. (2012). "Essentials of organizational behaviour" Saddle River.
- Self, R. D. (2008). "Overcoming Resistance to Change by Managing Readiness for change" Troy University.
- Tamilarasu, V. (2012). "Change management" *International Journal of Management Prudence*, 4(2), 26.
- Whyte, A. (2015). "Firms Recognize Engagement". *Talent Management Magazine*, May.