Organizational Transformation in Public Sector Organizations of Pakistan in the Quest of Change Management

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Abstract: The aim of this study is to see the organizational transformations in public sector organizations and to observe which factors have great influence in transforming public sector organizations of Pakistan. In a world of growing customer opportunities and declining income, many organizations are finding ways to do more with less by consolidating and putting together departments, functions, business processes, IT infrastructure and entire organizations. Can public sector organizations revolutionize? Organizational Transformation comes about when a company reorganizes itself or practices a sudden change in culture. The objective of this study is to portray the key characteristics which are normally considered for organizational transformation in public sector organizations of Pakistan. Research questionnaire was developed and distributed to public sector organizations in Pakistan. Data analysis was done through SPSS. The results were astonishing and all variables have positive impact on organizational transformation in public sector of Pakistan.

Keywords: Organizational transformation, public sector organization

INTRODUCTION

Today’s world is progressively linked and vibrant all the way. Many good organizations are constantly developing and changing their business aims and objectives, procedures of doing business, functions and operations with the help of transformation and regeneration processes.

Public sector organizations have and facing many problems, but among them, modifications and change in cultural is the problem which is complicated and hard (Bussen and Myers, 1997). Due to the importance given to bureaucracy and chain of command in their organizational culture (Parker and Bradley, 2000). Further, due to the lack of awareness of cultural change majority of IT transformations fail (Small, 2000). So this research is intended to recognize those factors through which public sector organizations administer cultural change to take advantage of IT and technological innovations and advancements. The research questions of this study are:

- Does Information Communication Technology have strong impact on Organizational Transformation?
- Does Leadership have the capability to bring Organizational Transformation in public sector of Pakistan?
- Does Privatization have any impact on Organizational Transformation in public sector of Pakistan?
- Does Novelty have any influence on Organizational Transformation in public sector of Pakistan?
- Does E-enablement have any influence on Organizational Transformation in public sector of Pakistan?

So the objective of writing this study is to see the impact of above factors on Organizational Transformations in public sector organizations of Pakistan.

In the quest of change management, transforming is considered a second degree change as it has the capacity of fundamentally important and main magnitude of an organization (Gareis and Stummer, 2008). There are diversified businesses methods and frameworks activities available which can be anticipated to help, guide and direct business organizations to improve and get better their industry practices and procedures in a study way (Vonderheide-Liem and Pate, 2004).

Public sector organizations are more and more obligations to integrate and use latest equipments and skills in their business procedures to get better results.
This sort of modernization is important for the success of any organization. In recent times, the organizations in public sector have taken initiatives to change the approach in which the community connect and interact with them. The transformations with the help of IT have become universal and for the betterment of infrastructure like communications, transportations etc., and to improve the service quality to the citizens, huge investments have been made.

As there are many factors like Information Technology (IT), globalization, real time working, outsourcing and strategic alliances, decapitization, business ecosystems, merger and acquisitions which are normally considered candidate for organizational transformation and change.

Now the old and conventional business methodologies, models and processes don’t have the capability to meet new economic environment as we have new appearance and rules of competition and rivalry. So, consequently public sector organizations would have to put into practice new methods of organizational transformation and changes to obtain full and maximum advantage from the business opportunities; or else, they sooner or later will be enforced out of business.

There are a few researches other than public sector i.e., on private organizations, which demonstrates that, the employees working in these organizations, they can be easily convinced and influenced to change on the basis of the vision provided to them by their leaders to get release from pressure (De Vries and Balazs, 1999; Nadler and Nadler, 1998), yet propose by inserting displeasure in the day to day circumstances, so that employees could easily accept change.

But Organizational Transformation in private organization is not the focus of this research paper, as the paper is primarily focusing and discussing Organizational Transformation in public sector organization through the use IT, globalization and other factors. This is very important study as public sectors organizations are normally deal with general public and if these organizations are not going to change their business practices then life will be tougher for general public. So this study will propose a solution of those problems which are currently faced by public sector organizations.

**LITERATURE REVIEW**

In the context of business, transformation of organizations means, through, basic, time and again fundamental, alterations and changes the vision, mission, strategies, organization, structures and customs of any organization, instead of study and incremental changes and development. The idea of transformation of organization is used to counter and face the demands of business surrounding and environment which forces any company to change so that it could stay alive in their business. From 25 years, transformation of organizational transformation has been given many names; e.g., sometimes it is called business process reengineering, may be downsizing or rightsizing and more freshly organizational culture change. However the objectives of all these approaches were the same, to provide major alterations in the organization i.e.; to change the organization structure, put in order and make use of its human resource and monetary resources to answer the ever changing forces and demands in the business atmosphere.

Change and (conversion) transition element, are both the part of the transformation of organization. The objective of changing and fitting or aligning organization resources, structure towards the change required to align an organization's structures, system and resources around a novel vision, task and plan to boost the value which is provided to customers so that they should be happy.

Furthermore, functional "silos" are combined with novel leadership style, reorganization of organizational charts and aimed directed to punch superior goals and aims with less human, monetary and material resources. The change or transition of public sector organization is a prolonged process in which members of the organization pass through many processes like cultural and psychosomatic to abolish aged policies of organization and adopt new methods and ways of working in the organization. Line managers and other individual in the public sector organization come forward in a fresh and new role in reorganized organization to take the advantages of change. In past there were many efforts which took place but we must admit that we have to manage change and transition both all the way of transformation of public sector organizations.

There is diversity of theoretical viewpoints which are summed up in this study, which translates a quite puzzling depiction, but in reality it gives imminent to look into the transformation of public sector organizations by seeing manager’s role and ability in the change process.

There are some change suppositions and theories, which shows the worth of individual and human group as considered base for change (DiMaggio and Powell, 1983). At the same time, some other concepts see managers' decisive actions and a source of lashing change (Lawrence and Lorsch, 1967; Pfeffer and Salancik, 1978), but we must also admit that external environmental, cognitive and supply restrictions confines on these deeds (Van de Ven and Poole, 1995).

The debate of grounds of change in public sector organizations is concerned; there are many major theoretical points of views which exemplify researchers’ contradictory visions, particularly the ability of executives and change agents to carry and
hold change. In spite of the difference of opinions between theorists, still, it has been shown by research that managers and executives are responsible for change in their organizations (Armenakis and Bedeian, 1999; Armenakis et al., 1999; Burke, 2002; Judson, 1991; Kotter and Gestion, 1995; Yukl et al., 2002). There is a lot of research on Public sector organizations which also gives sufficient proof on the considerable role that managers of public sector play in carrying organizational change (Abramson and Lawrence, 2001; Bingham and Wise, 1996; Borins, 2000; Doig and Hargrove, 1990; Hennessey Jr, 1998; Kemp Jr et al., 1993).

The change agents can influence on change, though, when a planned change becomes a reality by applying best strategies for change. Luckily, there is bulk of research available that holds framework and a variety of model and, the base of all these is (Lewin, 1947b) steps or stages of change. This research explains entire methods and procedures of introducing and executing change inside organizations and refers those factors which can contribute to success (Armenakis et al., 1999; Burke, 2002; Greiner, 1967; Kotter and Gestion, 1995; Rainey and Rainey, 1986; Thompson and Fulla, 2001).

Diversified managers have a big role in organizational transformation (Tatlı and Özbilgin, 2009). Diversity of managers comprises three fundamentals i.e.; situatedness, rationality, praxis. A few researchers are of the view that there some other factors which drive the organizations towards change which includes novelty, risk-taking and knowledge (Jones et al., 2005; Adelman and Taylor, 1997; Ingersoll et al., 2000; Chonko et al., 2002).

The actions of the leaders, the important factors of transformation (Min and Santhapparaj, 2011). There are a lot of other researches and studies which provided that if governmental organizations employ modern IT services then their competence will pick up very much (Henningsson and van Veenstra, 2010).

"IT Governance increasingly has become an instrument to align IT strategies with Overall business strategies" (Boynton et al., 1992). Due to which companies are not seeming for off the shelf solutions but for custom-made IT Governance models (Symons, 2005). As stated by Zahra et al. (2000) putting the production outside of organization possession, privatization plays a very important role and thus has the power to change national economies, organizations etc.

In spite of a few dissimilarities inside the above presented theories and frameworks, we still discover extraordinary resemblances amongst them and at the same time some empirical studies also behind these (Armenakis and Bedeian, 1999).

Today IT is being introduced in to public sector organizations very rapidly and instead of rigidity, people are accepting it and transforming to new position (Bozeman and Kingsley, 1998). On the other side some people criticized public sector for taking up simple way to transformation (Holloway et al., 1999). However, due to growing pressure from concern groups and from other sources, IT turned into a chief issue in the process of transformation (Thong et al., 2000).

Many countries and government have established e-government structures to get better delivery of service and other events of administration, but on the other side Information Systems literature proposes, it is hard to introduce IT in public sectors organizations due to the difficult structures and technical and human resources and at the same time due to the size of bureaucracy (Pan et al., 2006). There is need of modification of out of date practices at public sector organizations (Cats-Baril and Thompson, 1995). We need constant organizational and information system changes to allow change. Additionally, we also need to change the thoughts of people towards innovative technologies to get maximum effectiveness (Skok and Kalmanovitch, 2005). In public sector organizations, the most difficult task is to change the thinking, approach, goals of the employees and how they can be pushed towards new technology to get new understanding of using IT. Moreover, Information System effectiveness is dependent on organization because culture plays an important role in the acceptance of the technology (Schepers and Wetzes, 2007).

Business process reengineering in public sectors organizations has been started a long time before. In 1990, when there were a series of business reform and improvement initiatives started which was named "National Performance Review" (Thompson, 2000) and the key purpose and theme was change i.e.; Change Management. It is mainly significant when companies are bringing Enterprise Resource Planning structure (Al-Mashari and Zairi, 1999; Davenport and Stoddard, 1994), E-business (Bosić-Vukšić et al., 2002).

Theoretical framework model: Figure 1 represents transformation in public sector and is based on five driving forces which are ICT, leadership, privatization, novelty, risk-taking, knowledge and e-enablement. All these factors can increase the transformation capability of organizational dimensions in the organization. Hence due to the transformation of these organizational dimensions, organization can be transformed easily to successful state. According to Bill Gates, president of Microsoft feels that competition due to technology and production skills no longer exist, but true competition is based on operating model. So the operating model presented above and five dimensions in the model are vital organization actions related to organization endurance. The important organizational actions can be personified in these dimensions.
Hypothesis:

H1: ICT forces organizational dimensions for successful transformation of organization

H0: ICT does not drive organizational dimensions for successful transformation of organization

H2: Leadership causes organizational dimensions for successful transformation of organization

H0: Leadership does not cause organizational dimensions for successful transformation of organization

H3: Privatization helps organizational dimensions for successful transformation of organization

H0: Privatization does not help organizational dimensions for successful transformation of organization

H4: Novelty, Risk taking and knowledge (new techniques of doing business) help organizational dimensions for successful transformation of organization

H0: Novelty, Risk taking and knowledge (new techniques of doing business) do not help organizational dimensions for successful transformation of organization

H5: E-Enablement drives organizational dimensions for successful transformation of organization.

P0: E-Enablement does not drive organizational dimensions for successful transformation of organization.

MATERIALS AND METHODS

The research questions were examined from the individuals who provided information. Questionnaires were used as a secondary source of data collection. As with the help of questionnaires, it is very easy to gain data efficiently for research purpose. In this study questionnaire were administered personally and distributed through web among the general public who are working in public sector organizations to collect data for organizational transformation. The survey is confined to local area and responses completed within a short period of period.

Sampling size: It is a method choosing elements from a big population. So that a learning of the sample and an
understanding of its characteristics would make it probable for us to simplify such properties or characteristics to the population elements. So the number of people surveyed were n = 101.

**Sampling procedure:** In our research, sample area is Pakistan where we administered our questionnaires to make our sample size more appropriate in understanding the transformation of public sector organizations. Simple random sampling technique is used in this study. Precision and confidence are important issue in sampling because when we use sample data to draw inferences about the population, we hope to be fairly “on target” and have some idea of the extent of possible error. Because a point estimate provides no measure of possible error, we do interval estimation to ensure a relatively accurate estimation of the population parameter.

**RESULTS AND DISCUSSION**

**Checking the Reliability of measures: Cronbach’s Alpha:** The interim consistency reliability or the Cronbach’s alpha reliability coefficients of the five independent (ICT, Leadership, Privatization, New techniques and E-enablement) and one dependent variable (Successful Transformation) were obtained in Table 1 as a whole. The result in Table 1 indicates that the Cronbach’s alpha for the 6-item measure is 0.791. The closer the reliability coefficient to 1.0 the better the results are. Table 2 shows individual results of Cronbach’s Alpha of Independent and dependent variables. Successful Transformation indicates 0.758 reliability and the remaining five independent variables given below have the range from 0.735 to 0.804, which shows that the data collected through questionnaire is reliable as all values are above 0.7.

**Inferential statistics: Pearson correlation:** The Pearson correlation matrix is attained for the six interval-scaled variables as revealed in Table 3. From the results, we find out that transformation is positively correlated with new techniques (0.508) and leadership (0.447) more than any other variable.

**Multiple regression analysis:** The Table 4 lists the five autonomous variables which are put into the regression model and R (.581) is the correlation of the five independent variables with the dependent variable, after all the inter correlations amongst the five independent variables are taken into account. In the Model Summary below table, the $R^2$ (0.338), which is explained variance, is in fact the square of the multiple R (.581)$^2$

**ANOVA:** From the ANOVA table we conclude that our model is goodness of fit because the significant value is .000, if the significant value is less than the level of significance (0.05) its shows the model is goodness of fit. It also shows that at least one the coefficient is not zero.

![Table1: Cronbach's alpha (Combined)](Image)

**Table 1: Cronbach's alpha (Combined)**

<table>
<thead>
<tr>
<th>Cronbach's alpha</th>
<th>No of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.791</td>
<td>6</td>
</tr>
</tbody>
</table>

**Table 2: Cronbach's alpha (Individual)**

<table>
<thead>
<tr>
<th>Cronbach's alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information communication technology</td>
</tr>
<tr>
<td>Leadership</td>
</tr>
<tr>
<td>Privatization</td>
</tr>
<tr>
<td>New techniques</td>
</tr>
<tr>
<td>E-Enablement</td>
</tr>
<tr>
<td>Successful transformation</td>
</tr>
</tbody>
</table>

**Table 3: Correlations**

<table>
<thead>
<tr>
<th>Information communication technology</th>
<th>Leadership</th>
<th>Privatization</th>
<th>New technology</th>
<th>E-Enablement</th>
<th>Successful transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information correlation</td>
<td>1</td>
<td>0.171</td>
<td>0.295**</td>
<td>0.328*</td>
<td>0.217*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Leadership correlation</td>
<td>0.171</td>
<td>1</td>
<td>0.585**</td>
<td>0.402**</td>
<td>0.411**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Privatization correlation</td>
<td>0.295**</td>
<td>0.585**</td>
<td>1</td>
<td>0.519**</td>
<td>0.434**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.003</td>
<td>1</td>
<td>0.519**</td>
<td>0.434**</td>
<td>0.391**</td>
</tr>
<tr>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>New technology correlation</td>
<td>0.328**</td>
<td>0.402**</td>
<td>0.519**</td>
<td>1</td>
<td>0.489**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.001</td>
<td>0.000</td>
<td>0.519**</td>
<td>0.489**</td>
<td>0.382**</td>
</tr>
<tr>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>E-Enablement correlation</td>
<td>0.217*</td>
<td>0.411**</td>
<td>0.434**</td>
<td>0.489**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.030</td>
<td>0.000</td>
<td>0.434**</td>
<td>0.489**</td>
<td>0.382**</td>
</tr>
<tr>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Successful transformation correlation</td>
<td>0.226*</td>
<td>0.447**</td>
<td>0.391**</td>
<td>0.508*</td>
<td>0.382**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.023</td>
<td>0.000</td>
<td>0.391**</td>
<td>0.508*</td>
<td>0.382**</td>
</tr>
<tr>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
</tbody>
</table>

**Note:** Correlation is significant at the 0.01 level (2-tailed); *: Correlation is significant at the 0.05 level (2-tailed).
Table 4: Multiple regression analysis

Model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. Error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.581</td>
<td>0.338</td>
<td>0.303</td>
<td>0.5552</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant); E-Enablement, Information Communication Technology, Leadership, New Techniques, Privatization

Table 5: ANOVA

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>SS</th>
<th>Df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14.953</td>
<td>5</td>
<td>2.991</td>
<td>9.702</td>
<td>0.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>29.285</td>
<td>95</td>
<td>0.308</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>44.238</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Table 6: Standardized coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.250</td>
<td>0.214</td>
</tr>
<tr>
<td></td>
<td>Information communication technology</td>
<td>0.048</td>
<td>0.535</td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
<td>0.258</td>
<td>2.437</td>
</tr>
<tr>
<td></td>
<td>Privatization</td>
<td>0.010</td>
<td>0.086</td>
</tr>
<tr>
<td></td>
<td>New technology</td>
<td>0.337</td>
<td>3.168</td>
</tr>
<tr>
<td></td>
<td>E-Enablement</td>
<td>0.097</td>
<td>0.964</td>
</tr>
</tbody>
</table>

Coefficients: ANOVA table (Table 5) tells us about the goodness of fit but coefficient table tells individual contribution of every variable. Coefficient table (Table 6) shows that constant is 0.725 and the effect of ICT, leadership, privatization, new techniques and E-enablement on successful transformation are positive.

From the Correlation table (Table 4), we conclude that our independent variables i.e.; Information Communication Technology, leadership, Privatization, New Technology, E-Enablement are all positively correlated with the dependent variable i.e., Successful Transformation. But two variables i.e.; Leadership and New Technology are contributing more towards successful transformation of public sector organization of Pakistan than other variables. Our all hypothesis have been accepted as significance value in Correlation table is below 0.05.

Accepted hypothesis are:

**H1**: ICT forces organizational dimensions for successful transformation of organization

**H2**: Leadership causes organizational dimensions for successful transformation of organization

**H3**: Privatization helps organizational dimensions for successful transformation of organization

**H4**: Novelty, Risk taking and knowledge (new techniques of doing business) help organizational dimensions for successful transformation of organization

**H5**: E-Enablement drives organizational dimensions for successful transformation of organization

CONCLUSION

So in this study, we discussed different approaches and theories regarding organizational transformations in public sector organizations. A survey was conducted in Pakistan to see the factors which are mainly responsible for organizational transformation in public sector organizations with a sample size of n=101. It has been observed that all independent variables have positive impact on Organizational Transformation and are positively correlated with dependent variable but two independent variables (New techniques = 0.508, leadership = 0.447) have larger impact than any other variable. Change is always present in every organization and it influences all the departments of organizations. Today the business environment is turbulent and changing day by day and in this environment there is obvious agreement that businesses need change. So, the victorious supervision of change is necessary. On the other hand, the management of organizational transformation and change at present is not good as it is irregular and unplanned and near 70% failure rates have been seen of many change programs (Balogun et al., 2008). And it is all because of not having a proper structure for successfully implementing and managing organizational transformation and change especially in public sector as currently available approaches and theories are vague and confusing and do not have empirical support.

Limitations: The limitations of this study are that we are only covering public sector organizations and not private sector. The sample size may be on the lower side, it is possible that if there is large sample size, results would be clearer and specified.
Future work: We can extend our research to private sector as well and can make comparison of pace and speed of organizational transformation in public and private sector organizations and we can strategies which may be helpful for organizational transformation either in public or private sector. We can also expand our research internationally and can make assessment of organizational transformation of public sector organizations of Pakistan with other countries.

REFERENCES


