ADVERSITY QUOTIENT IN RELATION TO CHANGE READINESS OF EXECUTIVES WORKING IN MOBILE SERVICE SECTOR

Er. Shivinder Phoolka,
Assistant Professor,
Punjabi University Regional Center for IT and Management, Mohali, India.

Dr. Navjot Kaur,
Professor,
School of Management Studies,
Punjabi University, Patiala, India

ABSTRACT

In these times of dramatic change and turbulence in global business environment, one thing has become evident that the organizations not only have to accept but also handle change more effectively. Organizations can face change more efficiently if their employees are high on change readiness. The management in organizations is always interested in knowing the mental health and might of their employees. IQ and EQ measurements are two such tools which have largely been used by HR managers to look into the minds of the employees to improve their performance, training, and to retain and develop them. Dr. Paul G. Stoltz (2000) has given another fascinating tool, i.e, Adversity Quotient, which tells how well one withstands adversity and his ability to surmount it because with change, big or small, comes adversity. Talking of the Indian mobile sector, there is no doubt that the sector has undergone sea change in last ten to fifteen years, be it tariff structures, technology, policy changes announced by Indian government, mergers and acquisitions, ever increasing customer base etc. This study examines the relationship between change readiness of executives working in Indian mobile service sector and their adversity quotient. The study confirms the significance of the relationship that exists between the two. Executives with higher levels of adversity quotient had higher level of change readiness.

Keywords: Intelligence Quotient, Emotional Quotient, Adversity Quotient, Change Readiness, Corporate transformation
Introduction:

Isaac has truly said that change, continuing change, inevitable change, is the dominant factor in society today. No strategic decision can be made any longer without taking into account not only the world as it is, but the world as it will be. This, in turn, means that our statesmen, our policy makers, our businessmen, every decision maker must take on a science fictional way of thinking keeping the uncertain future in mind. Organizational change is the crux of organizational life. Organizational change is any alteration in people, structure, technology, policies or procedures of the organization. It is caused by either internal or external forces. Competition, government laws and regulations, technology, fluctuation in labour markets, publics, and economic changes are some of the external forces of change. Internal forces include organizational strategy, leadership, shareholders, workforce and their attitude, etc. There are two dominating images of organizational change: as a planned innovation and as an environmental adaptation. Under the first label approaches such as strategic choice, decision making and organizational development may be grouped; under the second, contingency theory, population ecology theory, domain theory, etc fall. Apart from these two images there is yet another face of organizational change: that of unintended consequences and unexpected results. Organizational change can be in the form of minor alterations, modifications or transitions or leaping transformations. Staying dynamic is the only way to do business. The industrial landscape is already littered with remains of once successful companies that could not adapt their strategic vision to altered conditions of competition. But usually, employees in organizations are cynical towards change. The reason for this is that they are afraid of the unknown. Managing change is an integral part of every manager’s job. Success in bringing organizational change can be achieved by preparing, educating and motivating the employees for change.

Talking of the change that has taken place in the Indian Telecom sector in the last 10-15 years, one can say that it has been magnanimous and revolutionary. Indian telecommunication Industry is one of the fastest growing telecom markets in the world. In little over a decade, India’s mobile connections grew from 1 million to 752 million, from the year 1998 to end of 2010 representing approx. 63% mobile tele-density. Now, India has the world’s second largest mobile phone users with over 903 million as of January 2012. Despite the gloomy outlook owing to the global recession/slowdown in the economy and the slowdown in the capital investments in the sector itself, the lesser tapped rural market in India continues to be an attractive opportunity. The changes that the industry has seen include, change in technologies, regulatory changes and reforms, entry of foreign telecommunication companies, privatization, mergers and acquisitions, expansions and diversifications, etc. All these have had a major impact on the employees working in this sector. There have been changes in their methods of work, work timings, working environment, leaderships, salaries and incentive packages, training methods, etc.

Selection and retention of the employees have always been the concern in the organizations. Measuring the IQ (Intelligence Quotient) and the EQ (Emotional Quotient) of the employees are some of the widely practised methods to check the suitability of the employees to the job. A new mantra is measuring their AQ, i.e., Adversity Quotient. The concept of AQ was developed by Dr. Paul Stoltz, CEO of Peak Learning and author of several books on the subject. Adversity Quotient®, or AQ®, is the science of human resilience. People who successfully apply AQ, perform optimally in the face of adversity — the challenges, big and small, that confront us each day. In fact, they not only learn from these challenges, but they also respond to them better and faster. The present day high velocity economy with its increasing uncertainty and complexity of jobs requires employees who can thrive in the face of adversity. For business organizations, a high AQ workforce translates to increased capacity, productivity, innovation, lower attrition and higher morale. AQ has benefited leading companies worldwide, including FedEx, HP, Procter & Gamble, Marriott, Sun Microsystems, Deloitte & Touche, and 3M. AQ can be measured as to these dimensions — Control, Origin, Ownership, Reach, and Endurance — that relate to a person’s perception of adversity. ‘Control’ measures the degree of control that a person perceives he/she has over adverse events. It is a strong gauge of resilience and health. A person who scores high on this dimension tries to have more control on tough situations rather than giving up. ‘Origin’ dimension answers question like where or what was the origin of the problem. Origin is related to blame. A fair and accurate degree of self-blame is required to create learning in a person so that he does not repeat the same mistake next time rather improves himself. The people with low origin score tend to take all the blame on themselves even when it is not so. On the other hand people with higher origin score, try to reasonably judge their role in the adverse situation. They also try to consider other, external sources of adversity. ‘Ownership’ measures the extent to which a person holds himself or herself accountable for improving a situation. It is a strong gauge of accountability and likelihood to take action. Such accountability motivates them to
take appropriate and corrective actions to reverse the effects of an adverse situation. ‘Reach’ is the perception of how large or far-reaching events will be. People with high ‘R’ score try to limit the effect of the bad event. If one fails to limit the reach of a bad event, one adversity in his life can lead to another, then another and so on. At that point, one feels helpless, overwhelmed and overshadowed by problems. ‘Endurance’ is the perception of time over which bad events and their consequences will last or endure. It is a strong gauge of hope or optimism. People with high score on this dimension believe that each problem will eventually end. No adversity can have the same effect forever. These dimensions jointly determine the AQ of a person. The overall score of AQ of a person will not be able to tell which is the weak area of a person’s response to adversity. All the dimensions need to be studied and understood individually to pin point the weak or strong areas of a person’s personality. AQ can be useful to predict performance, motivation, empowerment, creativity, productivity, learning, energy, hope, happiness, vitality, emotional health, physical health, persistence, resilience, attitude, longevity and response to change.

Review of Literature:

AQ studies:

AQ research has already been done on teachers, students, managers, psychologists, hospital staff, entrepreneurs, insurance agents, IT staff, non-profit organization staff, political leaders, etc. and has proved to improve performance levels, leadership styles and practices, resilience, promotions, retention, optimism and commitment to change. Antonette R. Lazarro (2004) studied the adversity quotient and performance level of the middle managers of the different departments in the city of Manila. He used 360 degree method to measure the performance of the managers and established high correlation between their AQ levels and their performance levels. He also studied adversity quotient in relation to their demographic profile and found that there was no significant relation between their age, gender and the adversity quotient scores. He supported the idea that people with high AQ never allow age, gender, race, physical or mental disability, or any other obstacle to come in their way. Guy D. Langvardt (2007) examined the relationship of resilience and commitment to change during a time of organizational transformation. His research is a case study analysis of St. Paul's First Lutheran Church, which is a nonprofit faith-based organization including a church, middle, elementary and pre-schools serving the community of North Hollywood, California and is a congregation of the Wisconsin Evangelical Lutheran Church (WELS). All adult employees, members and parents of students had the ability to participate in the research on a voluntary basis. The study used the AQ Profile® to assess participants’ resilience, and the Commitment to Change Survey to determine potential correlation. The study confirmed the significance of the relationship that exists between resilience and commitment to change during organizational transformation. Individuals with higher levels of resilience were more committed to change during organizational transformation. Monica Brannon Johnson (2005) studied the relationship between optimism (operationalized by Explanatory Style), response to adversity (operationalized by AQ) and performance of 112 sales employees of a leading Fortune 500 company in the computer hardware industry. Specifically, the study examined whether there is a significant relationship between optimism and response to adversity and if there are correlations between each of the constructs and sales performance. The hypothesis that the overall composite score of each model would be significantly correlated was supported. It was also indicated that the higher the salesperson’s AQ, the better they performed. More specifically, the more they perceived they had control and that negative events were limited, the better they did. It appeared that the assumption of the Explanatory Style model that the more negative events are internalized, the more one will feel helpless and lack control, is not correct. By comparing the two models, more insight was obtained on the role control plays in empowerment and helplessness – two essential elements of each model - that can either aid or hinder sales performance. Based on the results of this study, it appears that the AQ model may provide a more complete and consistent framework for identifying who is empowered and who is helpless.

Telecom Industry Studies:

Rizvi (2010) studied the roles of HR during acquisition of Hutchison by Vodafone in India. He found that in the pre-acquisition phase, an informal taskforce was created comprising of business heads and HR heads. In India the strength of the transition team was 40. Extensive talent profiling had been done. In the post acquisition period, HR played three roles: Employee Advocacy Role, Functional expertise role and Human Capital Development role. In
Employee advocacy role, HR countered the negative feelings of uncertainty, anxiety, loss of faith, and career doubt, communication was used as an effective tool. In the Functional expertise role it was maintained that not a single employee was laid off. Early warning system was used to retain employees. The pay cycle changed from April-March to July-June. There was a 10 - 15% hike. And in the Human capital development role training workshops and OD interventions were used as methods of facilitating change. Orientation programme was conducted to change from the Hutch model to the Vodafone model. Two training programmes were conducted. The group trained went back to their respective positions and helped diffuse the culture into the whole organisation. Thus, a parallel learning system was created. The study highlights the role of HR department in times of organizational transition.

Shahzad et al. (2010) studied the impact of Emotional Intelligence (EI) on employee’s performance in telecom sector of Pakistan by focusing on four major aspects of EI, that is, self awareness, self management, social awareness and relationship management. The participants included full time employees of five telecom companies in Pakistan. Employees who were are focused towards customer’s orientation were targeted specifically which includes call center agents, business development officers and team leaders etc to have a better understanding of their emotional handling at work place. It was found that self awareness is significantly correlated with employee’s performance but as per regression analyses it is a weak predictor of employee’s performance. Most of the employees at telecom sector joined profession of call center agent or enter in the marketing field of telecom sector as they would like to be a part of such reputed company. Being at the initial stage of their career they would like to be competitive in terms of salary and perks offered by such companies irrespective of analyzing their core competencies and utilizing it for their career development. Their accurate self assessment and confidence is weak due to lack of practical experience which affects their performance and ultimately many employees switch their jobs when they gain some practical experience. Self management is significantly correlated with employee’s performance but is not a strong determinant of employee’s performance in telecom sector. Most of academic qualification in Pakistan does not emphasize on self development, self management, and self control and adaptability concepts and focuses more towards traditional studies instead of harmonizing in-depth abilities with study pattern. A fresh graduate is preoccupied with multiple thoughts to settle down anywhere in professional life irrespective of analyzing his/her own competences and achievement of career path. Such youngsters when employed in telecom sector require considerable time to settle down and to be adaptable to work efficiently and give better performance. Correlation matrix indicates significant relationship between social awareness and employee’s performance and it a strong determinant of employee’s performance with regression analysis. Telecom sector created its worth in such short time and capture huge market share in service industry. Keeping such status in mind youngster in particular and other people in general tried to be a part of such leading sector. Relationship management is significantly correlated with employee’s performance and it is a strong determinant of employee’s performance with regression analysis. Relationships appear to have high priority in their culture as it forms a bridge for exchange of information and enhance of social awareness. Apart from all weak points of academic background, fresh graduates know to a large extent the art to communicate due to strong emphasis on English language in academics. Such ability enables telecom employees to influence less-literate customers and capture huge market share for the survival of telecom sector. Relationship management improves due to better communication and influencing ability which produces high performance outcomes.

Change Readiness Studies:

Tryggvi Hallgrimsson (2008) studied the change readiness of employees in three organizations in Iceland during times of proposed merger. He found that employees that report high levels of job satisfaction report higher levels of change readiness. Employees that report high levels of uncertainty at time of change report lower levels of change readiness. Employees that report high levels of organizational commitment report higher levels of change readiness. Two of the three organizations surveyed had significantly different levels of change readiness. Findings suggest that employees’ change readiness is reflected in the attitudes of Executive Managers. Findings also suggest that employees and Executive Managers in organizations facing discontinuous or radical change do not report lower levels of change readiness, than those facing incremental organizational change. Maria Vakola and Ioannis Nikolaou (2005) studied the Attitudes of employees towards organizational change and the role of employees’ stress and commitment in organizational change. A total of 292 employees from various Greek organizations participated in the study. The participants completed ASSET, a new “Organizational Screening Tool”, which, among other things, measures workplace stress and organizational commitment and a measure assessing attitudes.
towards organizational change. The results were in the expected direction showing negative correlations between occupational stressors and attitudes to change, indicating that highly stressed individuals demonstrate decreased commitment and increased reluctance to accept organizational change interventions. The most significant impact on attitudes to change was coming from bad work relationships emphasizing the importance of that occupational stressor on employees’ attitudes towards change. The results did not support the role of organizational commitment as a moderator in the relationship between occupational stress and attitudes to change. The results confirmed a relationship between occupational stress and attitudes towards organizational change. Stress created by bad work relationships, overload and unfair pay and benefits can cause negative attitudes toward organizational change and, therefore, inhibit change processes. More specifically, lack of a socially supportive environment, as expressed by bad work relationships, was found to be the strongest predictor of negative attitudes towards change. Alannah E. Rafferty and Roland H. Simons (2006) investigated readiness for two types of change, corporate transformation and fine-tuning changes, and explored the antecedents of readiness for these changes in a number of public sector organizations. They focused on fine-tuning changes and corporate transformation changes, using the theoretical definitions provided by Dunphy and Stace (1993). Surveys were administered to 311 employees in the administrative, finance, and human resource sections of five Australian organizations including two public sector utilities and three public sector agencies. Respondents that had been in their organization for a minimum of 2 years were selected for inclusion in the study as there was a need for employees to have experienced a variety of organizational changes in order to be able to respond to the survey. Readiness for fine-tuning changes was higher (mean = 3.95) than readiness for corporate transformation changes (mean = 3.45). Participation was uniquely positively associated with readiness for fine-tuning changes. However, participation was not uniquely positively associated with readiness for corporate transformation changes. Self-efficacy for change displayed a unique positive relationship with readiness for fine-tuning and corporate transformation changes. Trust in senior leaders displayed a significant unique relationship with readiness for corporate transformation changes. Although not hypothesized, trust in senior leaders also displayed a significant unique positive relationship with readiness for fine-tuning changes. Trust in peers was uniquely positive associated with readiness for fine-tuning changes. Trust in peers did not display a significant unique relationship with readiness for corporate transformation changes. Perceived organizational support was uniquely positively associated with readiness for corporate transformation changes. However, perceived organizational support was not significantly uniquely associated with readiness for fine-tuning changes. Flexible policies and procedures were significantly uniquely associated with readiness for corporate transformation changes but were not uniquely associated with readiness for fine-tuning changes. In contrast, logistics and systems support was uniquely positively associated with readiness for fine-tuning changes but was not uniquely associated with readiness for corporate transformation changes.

Need of the study:

The present study aims to find the relationship and association between the Adversity Quotient (AQ) of the executives in the mobile service sector and their readiness to change. The Indian mobile sector has seen numerous changes ever since its birth. Readiness for change of the members of the organization is a critical factor in successful change implementation. Measuring change readiness of the employees can help the top management to know how prepared the employees are for changes and then take appropriate actions to bring the required change. Measuring the AQ of the employees can help them to identify their behaviours and strength in times of adversity. It can also tell them their areas of vulnerability. It is possible to improve one’s adversity quotient. Measures of AQ tell the HR professionals about the mental strength of the employees and they can develop programmes accordingly to improve their psychological might. AQ solutions help businesses and other organizations to expand their capacities to do more and to do effectively develop resilient leaders and workforce, create resilient, high-performing teams accelerate change and fortify their culture, strengthen morale, reduce attrition and improve retention, upgrade human capital, drive innovation, improve customer service and sales ant to select high-performing people.

Objectives:

1. To measure the perception of executives regarding the pace at which Indian Mobile Telecom Sector is undergoing change.
2. To measure the change readiness of the executives.
3. To measure the adversity quotient of executives as to these dimensions: Control, Origin, Ownership, Reach and Endurance.
4. To find if there is any significant relationship between the adversity quotient and change readiness of the executives.

Scope:
The study was conducted in the states of Punjab and Haryana and in union territory, Chandigarh.

Research Methodology:

**Universe:** In this study the universe consists of all the executives working in the Indian Mobile Service Sector.

**Sample:** A sample of 120 executives was selected from the population using convenience sampling technique.

**Scales:** A self administered questionnaire was developed which consisted of two parts. Part I: It consisted of 25 questions to measure the adversity quotient of the executives. The questions were similar to that given in the AQ battery given by Dr. Paul G. Stoltz. Part II: It consisted of 25 questions to measure the change readiness of executives. These questions were based on the changes that have taken place in the Indian mobile service sector.

Results:

<table>
<thead>
<tr>
<th>Row No.</th>
<th>Parameter</th>
<th>Mean</th>
<th>Std. Error of mean</th>
<th>Median</th>
<th>Standard Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Perception regarding the pace of change</td>
<td>3.94</td>
<td>.071</td>
<td>4.00</td>
<td>.781</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>R2</td>
<td>Change readiness</td>
<td>3.7333</td>
<td>.03064</td>
<td>3.7600</td>
<td>.33560</td>
<td>2.50</td>
<td>5.00</td>
</tr>
<tr>
<td>R3</td>
<td>Control</td>
<td>3.6533</td>
<td>.05427</td>
<td>3.6000</td>
<td>.59450</td>
<td>1.80</td>
<td>5.00</td>
</tr>
<tr>
<td>R4</td>
<td>Ownership</td>
<td>3.9267</td>
<td>.05520</td>
<td>4.0000</td>
<td>.60471</td>
<td>2.00</td>
<td>5.00</td>
</tr>
<tr>
<td>R5</td>
<td>Origin</td>
<td>3.6533</td>
<td>.05173</td>
<td>3.6000</td>
<td>.56671</td>
<td>1.60</td>
<td>5.00</td>
</tr>
<tr>
<td>R6</td>
<td>Reach</td>
<td>2.9350</td>
<td>.06573</td>
<td>3.0000</td>
<td>.72002</td>
<td>1.00</td>
<td>4.40</td>
</tr>
<tr>
<td>R7</td>
<td>Endurance</td>
<td>3.6971</td>
<td>.04727</td>
<td>3.8000</td>
<td>.51785</td>
<td>2.20</td>
<td>5.00</td>
</tr>
<tr>
<td>R8</td>
<td>Overall Adversity Quotient</td>
<td>3.5720</td>
<td>.03287</td>
<td>3.6000</td>
<td>.36008</td>
<td>2.12</td>
<td>4.44</td>
</tr>
</tbody>
</table>

**Objective 1:** As can be observed from row R1 of the table, a mean value of 3.94 signifies that most of the executives in the Indian mobile telecom sector perceive that the sector is undergoing change at quite a high pace.

**Objective 2:** As can be observed from the row R2 of the table, a mean value of 3.7333 signifies that the executives in the Indian mobile telecom sector have higher than average change readiness, i.e, they are quite a lot prepared for the changes taking place in the sector.

**Objective 3:** As can be observed from rows R3, R4, R5, R6 and R7, the executives are strongest on the ‘ownership’ dimension (with mean value 3.9 approx.) of adversity quotient, i.e, they readily take their share of responsibility in a difficult situation; followed by ‘endurance’, ‘origin’ and ‘control’ dimensions (with mean values 3.7 each approx.) It can be said that they try to have a lot of control on difficult situations and do not easily give up, they believe that tough situations can be largely because of other people and outside factors and do not tend to over blame themselves and they also believe that difficult situations will hardly exist forever and they will come to an end eventually. The executives are little weak on the ‘reach’ dimension as they believe that tough situations can averagely affect their lives (with mean value 2.9 approx.). The overall adversity quotient of the executives is above average (with mean value 3.6 approx.)

**Objective 4:** To find if there is any significant relationship between the adversity quotient and change readiness of the executives, we can check for the following hypothesis - 

H1. There exists no significant relationship between the adversity quotient and the change readiness of the
executives.

Pearson’s Product Moment Coefficient of Correlation is presented in table below:

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>‘r’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adversity Quotient</td>
<td>120</td>
<td>.332(**)</td>
</tr>
<tr>
<td>Change Readiness</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

**Significant at 0.01 level of confidence

It reveals that the correlation was found to be significant at 0.01 level of confidence, which implies that there exists a significant positive and linear relationship between the adversity quotient and change readiness of executives. Thus hypothesis H1 is rejected.

Discussion:

Adversity Quotient is a novel method of measuring a person’s mental might, how he behaves in times of adversity, how much control he exerts on a difficult situation, what reasons he gives behind its occurring, how much responsibility he takes in a sticky situation, whether he is able to limit the spill over effect of adversity in his life and how he endures in tough times. The Indian mobile service sector has undergone massive growth and changes in last 10-15 years. Organizational change usually brings on adversities like resistance among employees, rigidity, confusion, anxiety, conflicts etc, all of which are signs of low change readiness. This study was conducted with an objective to measure the change readiness and adversity quotient of executives working in this sector and to find out if there is any relation between the two. It was found out that the executives perceived that the sector is undergoing change at quite a high pace, their change readiness is above average, so is their adversity quotient, i.e., it can be said that the executives working in this sector are quite a lot prepared for the changes taking place in the sector and their adversity quotient is also quite high, i.e., they can handle the tough situations quite well and lastly there exists a significant relation between their adversity quotient and their change readiness, i.e., executives high on adversity quotient are more ready for the changes taking place in the sector.

Suggestions and Recommendations:

1. Adversity Quotient can be used as an effective tool in developing job specifications, interviewing and hiring process, and in offering promotions.
2. The HR departments can integrate the theory and practice of adversity quotient in the training and development programmes of employees wherein the employees can be trained to deal with day today adversities in their professional as well as personal lives.
3. By giving adversity quotient training to executives working in the Indian mobile Service sector, they can be better prepared for the changes that are taking place in the sector.
4. The results of the study can be shared with other organizations because organizational change is inevitable and managements are always interested in improving the change readiness of their employees.

Conclusion:

Based from the findings of the study, the following conclusions were drawn:

1. The adversity quotient profile can measure the adversity quotient of executives working in Indian mobile service sector to improve their dealing with difficulties situations which arise due to changes taking place in the sector.
2. The mean score of executives on various dimensions of adversity quotient was as follows: Control-3.7, ownership-3.9, origin-3.7, reach-2.9, endurance-3.7
3. The mean score of overall adversity quotient of the executives was found out to be 3.6.
4. The mean score of change readiness of the executives was found out to be 3.7.
5. There existed a significant relationship between adversity quotient and change readiness of the executives.
6. The adversity quotient of the executives can be further improved by giving them training in adversity quotient.

References:


****