

# Investigating The Functions In Which Transformational Strategies Are Exceedingly Adopted For IT Business Growth

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## Abstract

The study aimed to discover the management functions in which transformational strategies are highly adopted in IT companies in the Chennai district. Further, the study goal was to uncover the important reason behind the success of the transformational strategy. The study used a descriptive research design. The 131 data was collected from Chennai IT parks using a stratified sampling technique. The researcher used a structured questionnaire as a data collection instrument from the IT employees belonging to the Team Leader or Manager Carder. The analysis result indicates that the majority of the employees in IT companies were male belonging to the age category between 30 – 40 years with 7.6-10 years of experience. There is no significant difference in the level of transformational strategies adopted by different departments in IT companies as per the opinion of the respondents considered for the study. It was identified that Marketing, Finance and Purchasing Department adopt transformational strategies highly as per the opinion of the respondents considered for the study. Also, it was understood that the leaders of the top management and changing business environment were the important reasons behind the success of the transformational strategy in IT companies in the Chennai region.

**Keywords:** Transformational Strategies, Business Functions, IT industry

## Introduction

The IT administration of a firm must continually evaluate how it can deliver its services most effectively and efficiently. This includes a continuous evaluation of whether the company's own IT resources or external resources are employed to deliver IT services. In the latter situation, a corporation decides to outsource all or part of its IT services to one or more external vendors through contractual outsourcing agreements(Dehning, B., et.al., 2003). Many various types of IT transformational strategies have arisen, all intending to allow a firm to focus more on its core business, innovate more effectively, decrease costs, and improve the performance of IT services(Strukan, E., et.al., 2017).

When such outsourcing agreements expire or the activity is reviewed, a choice must be made about whether to renew the contract, switch to a new vendor, or back source the activities. The term "transformational strategies" refers to bringing in new technologies and action tasks back for the betterment of organizational functions(Chanias, S., et.al.,2019). This definition also implies that transformational strategies were decided after examining the options of renewing or renegotiating a current contract or switching operations to the modern era. IT transformational strategies can be triggered by significant changes in the external technology environment, such as digitalization and new automation technologies(Matt, C., et.al., 2015). The Indian Information Technology industry has been chosen as the

business environment in which to conduct this research because it is the most affected of all industries by digitalization in the Indian economy.

### Review of Literature

Despite these efforts, we still don't know which transformational techniques are most widely used or which transformational strategies are most effective at reversing a productivity decrease (Agarwal, N., et.al., 2015). As a result, research on the organisational decline and dynamic capabilities must expand beyond the essential micro-foundations to include a macro-perspective, similar to Fortune and Mitchell's focus on the shaping of macro-level phenomena within company and industry evolution (Vukšić, V. B., et.al., 2018). Taking such a wide perspective is necessary if we want to consider how the new business climate will affect firms' adoption of transformational strategies, as well as determine which transformational strategies are most effective at tackling the root reasons of new-normal stagnation (Tekic, Z., et.al., 2019).

In light of the foregoing, we conduct a large cross-industry descriptive study to better understand the nature of transformational efforts. We put our theoretical presumptions to the test by combining data from seven different sources to operationalize the six generic responses to capacity threats: departments captured by industry departures (Hess, T., et.al., 2016). Matching industry-level data that captures the six transformational strategies for

Indian IT industries over the 2021-2022 period with comprehensive measures of total factor productivity (TFP) growth allows determining which transformational strategies are most commonly used by firms experiencing a sustained lack of productivity growth, as well as which transformational strategies are most successful in terms of resulting in increased productivity growth in subsequent years (Lucas Jr, et.al., 2013).

### Objectives of the Study

The study was an attempt to discover the management functions in which transformational strategies are highly adopted in IT companies in the Chennai district. Also, the study aims to uncover the important reason behind the success of the transformational strategy.

### Methodology

The study used a descriptive research design. The 131 data was collected from Chennai IT parks using a stratified sampling technique. The researcher used a structured questionnaire as a data collection instrument from the IT employees belonging to the Team Leader or Manager Carder.

### Analysis and Interpretation

Here the analysis was made to find out the demographic profile of the respondents considered for the study.

**Table No. 1: Demographic Profile of the Study**

		Frequency	Percent
Gender	Male	93	71.0
	Female	38	29.0
	Total	131	100.0
Age	Less than 30 Years	15	11.5
	30 - 40 Years	60	45.8
	41 - 50 Years	42	32.1
	Above 50 Years	14	10.7
	Total	131	100.0
Experience	Less than 5 Years	22	16.8
	Between 5.1 - 7.5 Years	41	31.3
	Between 7.6 - 10 Years	53	40.5
	Above 10 Years	15	11.5
	Total	131	100.0

Source: (Primary data)

Through the percentage analysis performed, it was understood that majority of the employees in IT companies were male belonging to the age category between 30 – 40 years with 7.6-10 years of experience.

Here below analysis was made to understand whether there is a significant difference in the level of transformational strategies adopted by different departments in IT companies as per the opinion of the respondents considered for the study.

**Table No. 2: Multivariate Test – Level of Transformational Strategies Adopted By Different Departments**

Multivariate Tests						
	Effect	Value	F	Hypothesis df	Error df	Sig.
D1	Pillai's Trace	.141	1.581 <sup>b</sup>	10.000	96.000	.124
	Wilks' Lambda	.859	1.581 <sup>b</sup>	10.000	96.000	.124
	Hotelling's Trace	.165	1.581 <sup>b</sup>	10.000	96.000	.124
	Roy's Largest Root	.165	1.581 <sup>b</sup>	10.000	96.000	.124
D2	Pillai's Trace	.359	1.332	30.000	294.000	.121
	Wilks' Lambda	.679	1.330	30.000	282.455	.123
	Hotelling's Trace	.420	1.325	30.000	284.000	.126
	Roy's Largest Root	.199	1.950 <sup>c</sup>	10.000	98.000	.047
D3	Pillai's Trace	.245	.870	30.000	294.000	.666
	Wilks' Lambda	.773	.864	30.000	282.455	.675
	Hotelling's Trace	.272	.857	30.000	284.000	.685
	Roy's Largest Root	.140	1.373 <sup>c</sup>	10.000	98.000	.204
Tests of Between-Subjects Effects						
	Source	Type III Sum of Squares	df	Mean Square	F	Sig.
D1	Marketing	1.645	1	1.645	7.069	.009
	Finance	.011	1	.011	.045	.832
	Customer Relationship Management	.034	1	.034	.128	.722
	Human Resources	.031	1	.031	.079	.780
	Technical Department	.390	1	.390	1.485	.226
	Contract Department	1.066	1	1.066	2.478	.118
	Infrastructure& Engineering Department	.875	1	.875	2.142	.146
	Purchasing Department	.328	1	.328	1.351	.248
	I.T. Department	.006	1	.006	.022	.882
	Planning Department	.149	1	.149	.624	.432
D2	Marketing	.951	3	.317	1.362	.259
	Finance	1.646	3	.549	2.179	.095
	Customer Relationship Management	.208	3	.069	.258	.855
	Human Resources	2.045	3	.682	1.730	.165
	Technical Department	.431	3	.144	.547	.651
	Contract Department	3.730	3	1.243	2.891	.039
	Infrastructure& Engineering Department	.270	3	.090	.220	.882
	Purchasing Department	1.442	3	.481	1.980	.121
	I.T. Department	1.318	3	.439	1.704	.171
	Planning Department	.737	3	.246	1.027	.384

D3	Marketing	.481	3	.160	.689	.561
	Finance	.580	3	.193	.768	.514
	Customer Relationship Management	.957	3	.319	1.185	.319
	Human Resources	.859	3	.286	.727	.538
	Technical Department	1.116	3	.372	1.417	.242
	Contract Department	.533	3	.178	.413	.744
	Infrastructure& Engineering Department	1.034	3	.345	.844	.473
	Purchasing Department	.296	3	.099	.406	.749
	I.T. Department	.205	3	.068	.265	.850
	Planning Department	1.698	3	.566	2.366	.075

Source: (Primary data)

The calculated Pillai's trace significance value is greater than 0.05, meaning the null hypothesis is accepted. Therefore, there is no significant difference in the level of transformational strategies adopted by different departments in IT companies as per the opinion of the respondents considered for the study.

Here the rank analysis using the mean score was carried out the important departments that adopt transformational strategies highly as per the opinion of the respondents considered for the study.

**Table No. 3: Rank Analysis -Level of Transformational Strategies Adopted By Different Departments**

Descriptive Statistics		
	Mean	Rank
Marketing	4.5802	1
Finance	4.5115	2
Customer Relationship Management	4.4809	6
Human Resources	4.3282	10
Technical Department	4.4504	7
Contract Department	4.3969	8
Infrastructure& Engineering Department	4.3893	9
Purchasing Department	4.5038	3
I.T. Department	4.5038	4
Planning Department	4.4885	5

Source: (Primary data)

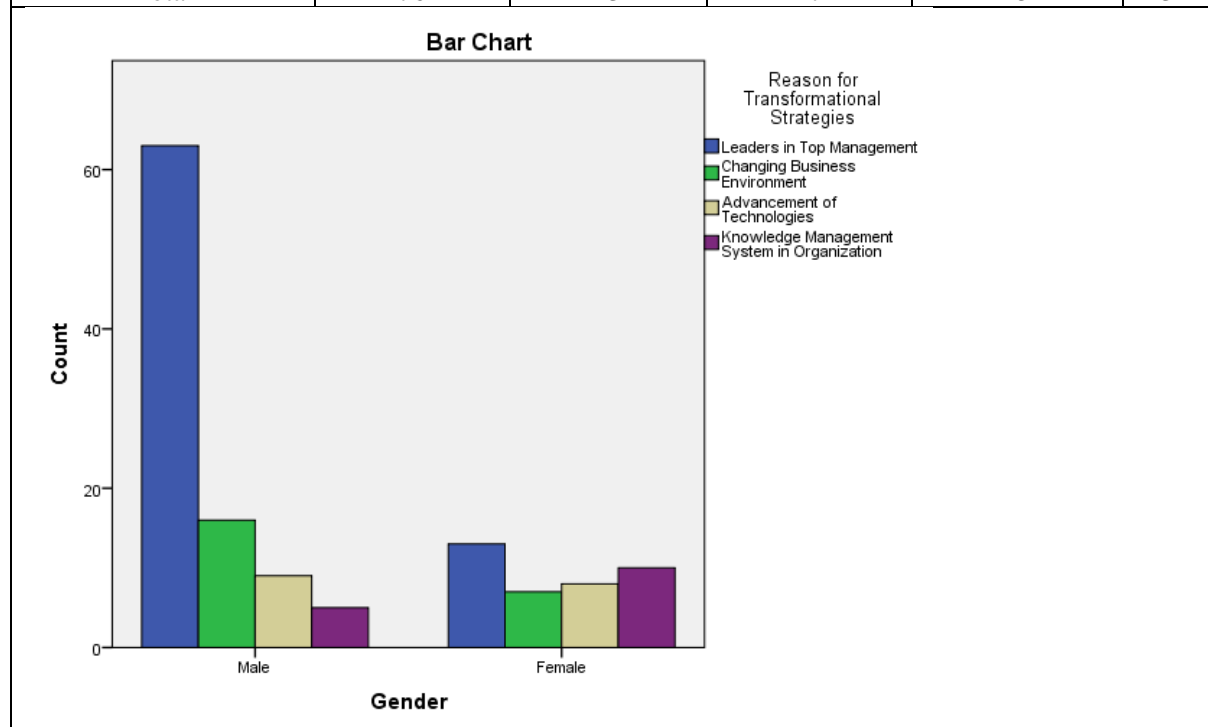
From the rank analysis made using the mean score, it was identified that Marketing, Finance and Purchasing Department adopt transformational strategies highly as per the opinion of the respondents considered for the study.

The researcher adopted a cross-tabulation analysis of the important reason behind the transformational strategy's success as per the opinion-based survey.

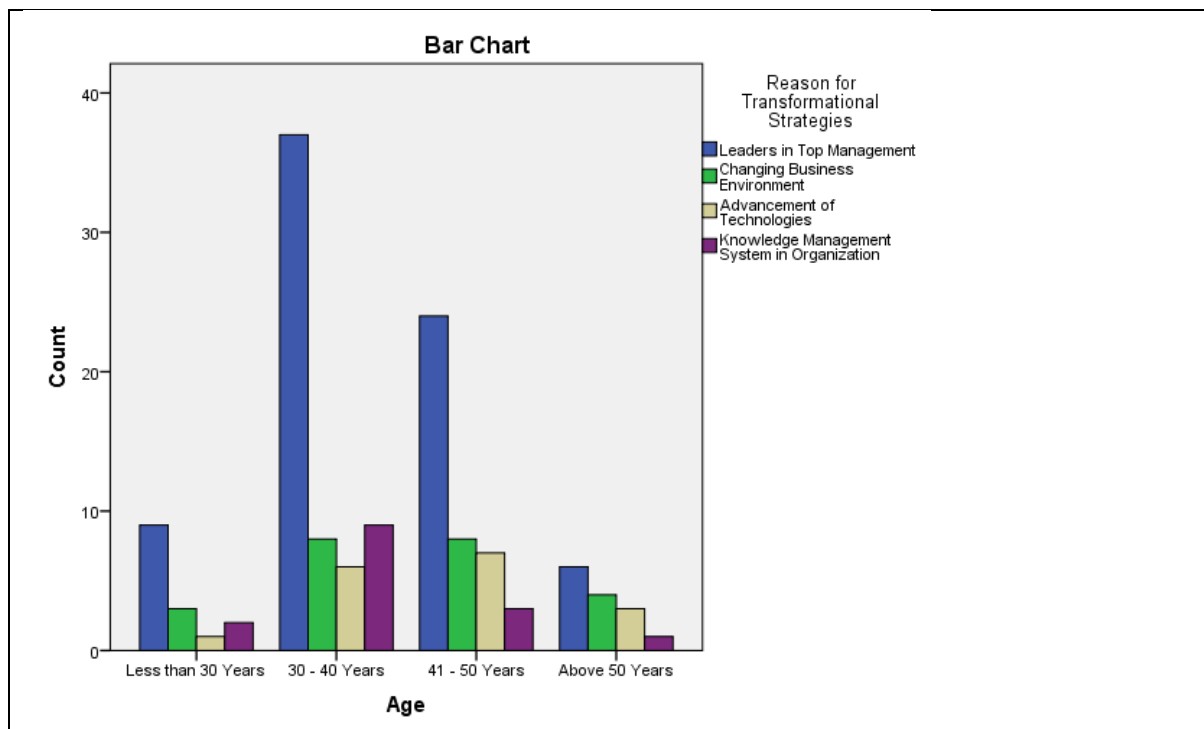
**Table No. 4: Cross Tabulation - Reason behind the Transformational Strategy Success**

Crosstab					
Count					
	Reason for Transformational Strategies				Total
	Leaders in Top Management	Changing Business Environment	Advancement of Technologies	Knowledge Management	

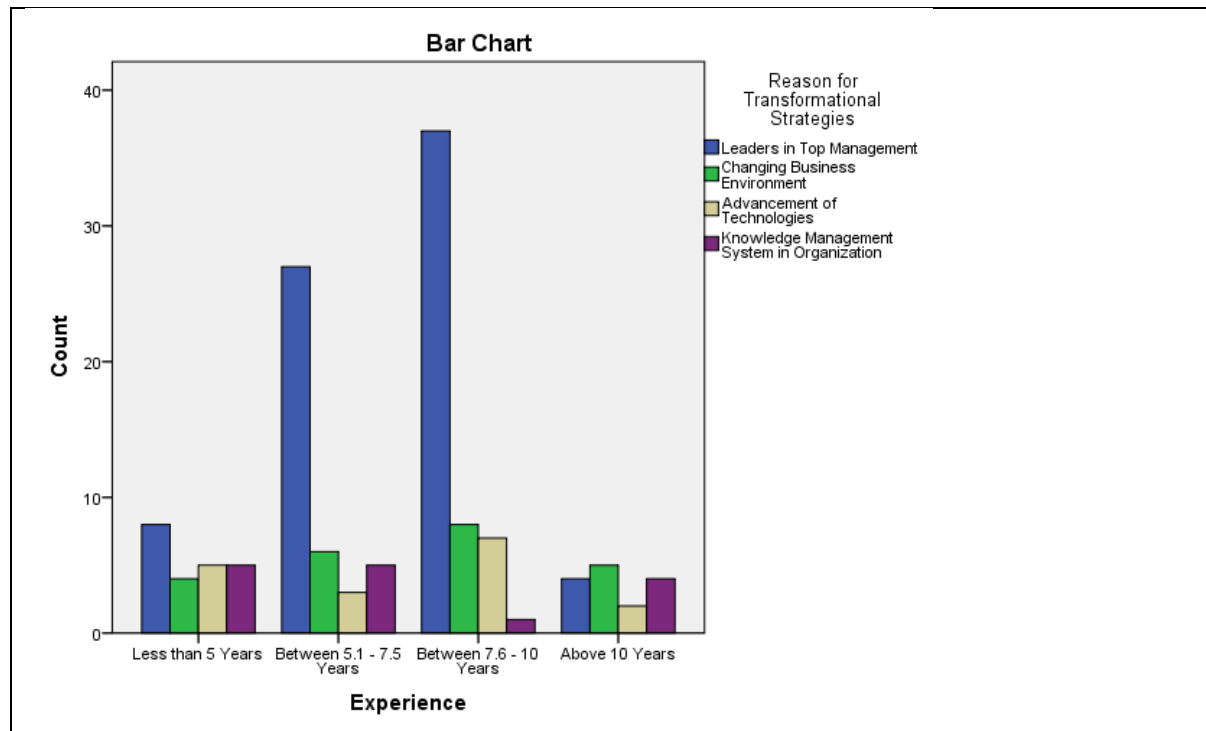
					System in Organization	
Gender	Male	63	16	9	5	93
	Female	13	7	8	10	38
Total		76	23	17	15	131

**Crosstab**

		Reason for Transformational Strategies				
		Leaders in Top Management	Changing Business Environment	Advancement of Technologies	Knowledge Management System in Organization	Total
Age	Less than 30 Years	9	3	1	2	15
	30 - 40 Years	37	8	6	9	60
	41 - 50 Years	24	8	7	3	42
	Above 50 Years	6	4	3	1	14
Total		76	23	17	15	131

**Crosstab****Count**

		Reason for Transformational Strategies				Total
		Leaders in Top Management	Changing Business Environment	Advancement of Technologies	Knowledge Management System in Organization	
Experience	Less than 5 Years	8	4	5	5	22
	Between 5.1 - 7.5 Years	27	6	3	5	41
	Between 7.6 - 10 Years	37	8	7	1	53
	Above 10 Years	4	5	2	4	15
Total		76	23	17	15	131



Source: (Primary data)

From the cross-tabulation, it was understood that the leaders of the top management and changing business environment were the important reasons behind the success of the transformational strategy in IT companies in the Chennai region.

### Findings and Conclusion

The analysis result indicates that the majority of the employees in IT companies were male belonging to the age category between 30 – 40 years with 7.6-10 years of experience. There is no significant difference in the level of transformational strategies adopted by different departments in IT companies as per the opinion of the respondents considered for the study. It was identified that Marketing, Finance and Purchasing Department adopt transformational strategies highly as per the opinion of the respondents considered for the study. Also, it was understood that the leaders of the top management and changing business environment were the important reasons behind the success of the transformational strategy in IT companies in the Chennai region.

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