

The Effect of Change Management on the Organizations Innovation

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Abstract

The rate of competition of businesses is moving very fast, this increase the importance of establishing new management methodologies to create successful changes and to achieve a high competitive environment. Any strategy in any field should change from time to time to keep up with the time needs. As most of organizations need to move from a current state to a required future state, planning a strategy to achieve this movement is very important and needs to be creative. Managing itself has a big role in increasing profit and the effectiveness of the company. This paper is interested in the effects of management in the companies' innovation and how its reflects on the profit and comfort in working. So, this will show the relationship between the management and the organizations innovation.

Keywords: key words, orkforce sizing, job-shop production, holonic model

1. Introduction

The business environment changes continuously nowadays as a result of information development and communication technology, liberalization of economic and increasing democratization in economics. Management becomes easier today and it turns to be a regular feature of business life, so, it is increase the innovation and performance. (Thomas 2014)

Management needs to renew a direction, capabilities and the structure of the companies continuously to serve the desired changes of internal and external customers. (Moran, Brightman, 2001) And it can identify where it will be in the future.

Changes must be experiencing and testing before adopting it to have a better position in the global economy. As a highly required of the management skills, the importance of the organizational changes increases. (Senior 2002). When the organizational change comes, the creativity, innovation and expertise take place. During the last decades the concepts and theories have been developed to improve organizational structures and to challenge the complexity of societies. All industries feel the necessary of gradually introducing new organizational concepts to meet the markets and competitors growing challenges.

Organizations must to be more obvious, drive force behind new economics, develop with a knowledge management and change management to adapt to increasingly competitive and globalized markets. Nowadays, managing change is a major challenge faced by organizations and individuals. So, it is important to develop and summaries the concept of change management.

Companies need to fulfill some basic prerequisites to foster a certain hierarchical structure at individual level and to enhance a communication and dialog. The transformation cannot goes from top level to down, but it needs to be understood and adapted to minimize the management change challenges. (Ogbonna, 1998).

It is impossible to expect when, how and where changes will take place.

However, the relationship and impact of change management and its effect on companies' performance and organization innovation will be discussed.

2. Objectives

This study aims to:

- Study the effect of change management in the organizational state.
- Mention the main problems and challenges faced in a changing process.
- Clarify the effects of change management on organizational innovation.
- Mention several models of the change management.

3. Change management and its reflection on companies' innovation

Change management has several models and benefits to increase the satisfaction on the results.

3.1 Change management definition

Change happens in most of our lives aspects around us, technologies, processes, ideas, people and methods; this will affect the way which deals with a daily tasks. So, it is a process that needs to be learnt and discovered by an on-going basis.

Having the ability to influence others and move freely are the most important characteristics in change

management to direct the working force in the organization's target. (Harem 2004, Robinson 2002). It is important to provide context related to two other concepts- the change it self and the project management. Change management and project management applied to a variety of organization's changes to improve the success and the return on investment. The table below shows the scope of these three elements. (Beer, Mike, 2003).

Element	Scope of focus
The change	Organization and operations
Project management	Tasks and activities
Change management	Impacted employees

Table (1): The scope of focus of the change elements.

There are four basic parts of how the organizations operate, all of approaches and tools that used to improve the organization must use one or more of these parts:

- Processes.
- Systems.
- Organization structure.
- Job roles.

Change in organizations is moving from the current state to a wanted future state where the performance is better than it had been before, each organization has a future state that is trying to achieve. The change results and the reaction to a specific problems and opportunities the organization is facing based on external and internal stimuli. Becoming more competitive, becoming closer to the costumers and becoming more efficient can be motivated to the concept of change. . (Beer & Mike, 2003).

Project management is an application of tools, skills, techniques and knowledge to achieve the benefits of change and to meet the project requirements like increasing the performance.

Change management is an application of tools, techniques and knowledge to achieve the needed business outcomes. It can help the individuals to make an adoption and successful personal transitions (Beer & Mike, 2003).

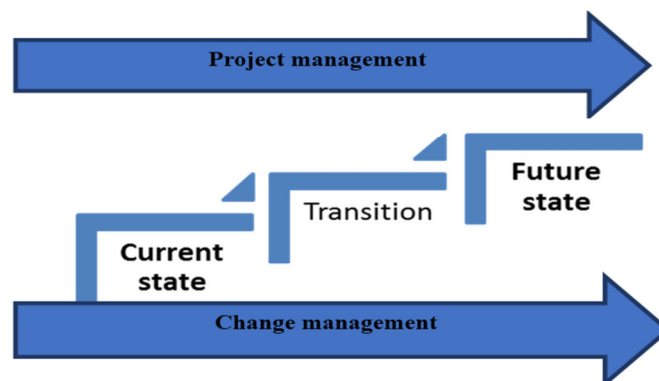


Figure (1): the transition from current state to future state.

As shown in figure 1, any of the project and change management supports the transition from the current state to target future state.

3.2 Why the companies need to change

There are several reasons that emphasize the importance of change, such as:

- Keeping up with any ever world change.
- Performance gaps.

Change needs to close the gaps that do not meet the goals and objectives.

- New technology.

Companies must adapt with new technologies by more efficient and economical methods to perform work.

- Keep up with changing processes and practises that growing very fast.
- Opportunities identification.

To increase the competences, organizations must identify the oppourtunities in the market place which need to follow.

- Complexity of changing which increases the necessity of management. (McMillan, 2004).
- Some organizations turn to change because other organizations are doing so (sound good).
- Planned abandonment.

The useless of some products, markets and allocating resources force the organizations to change.

- Mergers and acquisition.

This can create a negatively effect in the employees, so the companies need to change here. (McMillan, 2004).

Companies must consider the reason of change to detect the appropriate approach to achieve a successful required future state.

As a result of internal, external or both of them, the change occurs. (Nadler, 1988). External force affected by several factors happened in present or past.

Environment nature, technological and social factors play a major role in detecting the type of change (Harries, 1997).

3.3 Change challenges

Sometimes organizational leaders face new changes with no determination of type, speed, quantity, implications, causes and time to expect and address changes for the performance results. Some of decisions about future state change are a long term and some is an immediate term. (Cumming and Worley, 2005)

Long term meant planning for three to five years. But short term needs a simultaneously and immediately planning in fifteen minutes instead of months or weeks. Also, putting an emergency plans is very important to avoid any failure. Sometimes, companies fail in initiate changes due to the dash in planning by a senior employee. So, this problem Clarify the importance of focusing and overwhelming on determining the reason of change and the way of implementing change though the hardness of accomplish this task(Beer, Nohria, 2000).

Handling a resistance and managing conflicts needs patience because it is unexpected and depends on feedback and conversations. As the rise of change level the conflict increase. Being ager, even ready to dive into the problem quickly is one of the best qualities in an active leader in change process.

Some of companies find themselves in uncertain environment where the need to change is very competitive necessity. (Burnes, 1996; kanter 1989; Peters, Waterman, 1982).

In transition management, dealing with setbacks is normal part of events. So, there are no supposing establishing steps for change. Expecting setbacks is the first step to being ready for this type of challenges, then determining the most effective challenge to minimize the effort in managing this challenge.

There is no acceptable definition of constitution of the operating environment (Jury, 1997). But it can practically defined as the environment association with governmental, technological, sociological and economic variables in that environment. These variables have the ability to determine the type of change to be implemented and the speed of it (D'orenzio, 2012).

Understanding and addressing the complicated interactions between different changes in a company is needed to achieve a successful organizational change implementation (Metremm,2009).

Using multiple vendors in different locations across time zones makes it difficult to manage; there could be certain communications and practises gaps between the involved parties.

Multiple environments might have different teams and managed by different groups. So, maintaining a consistency of changes across the highly development, staging and testing needs a double effort to achieve.

3.4 Change models

Any existing of several methods results an existing of different models:

- ADKAR model.

This model focuses on the effective change and the requirements outcomes by depending on workable researches confirms in more than nine hundreds organizations. The change in this model takes place just when the individual have the ability to transition successfully. It is posted five actions to improve the individual change, and then leads to a successful organizational change.

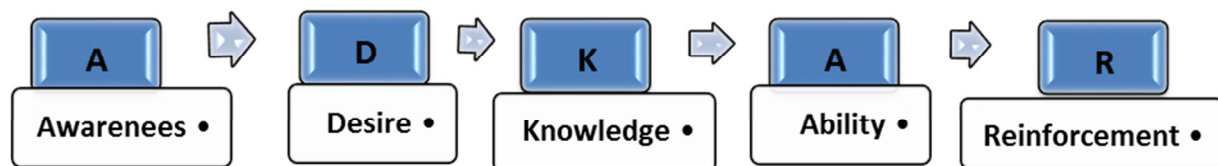


Figure (2): factors of the ADKAR model.

- Awareness of the importance of change management.
- Desire to use a workable change.
- Knowledge in the way of changing management.
- Ability to perform a needed skills and attitudes.
- Reinforcement of the change sustains (ADARK, 2006).

- KOTTAR'S 8 step change model.

KOTTAR'S model demonstrate that the change not always results a required outcomes, the chance of the success in changing process does not exceeds 30%. So, it is created to increase the chance of getting good

and successful results in changing process. (Kotter, J. P. 2012, 1996).

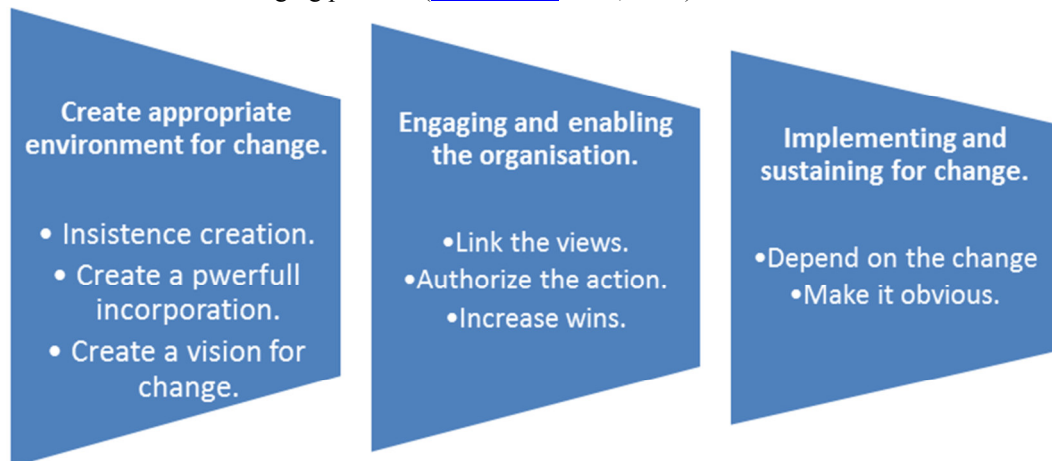


Figure (3): steps of KOTTAR change model.

- **Stephen Covey: 7 Habits Model.**
 It is used to examine the challenge reactions in our lives (Covey, 2012).
- **Kubler-Ross: stages of change** (Kübler-Ross, Elisabeth, Kessler, David,2007).

The Kübler-Ross change curve

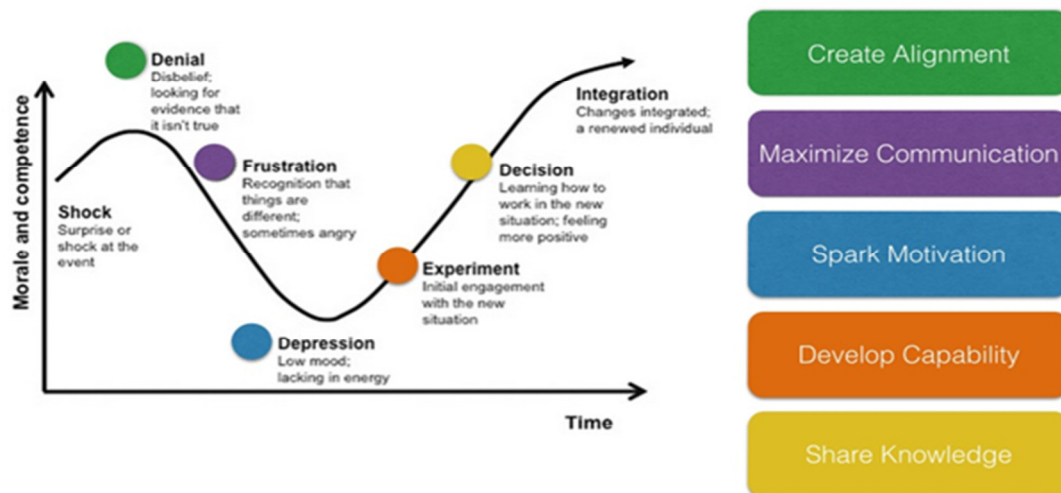


Figure (4): the Kubler-ross change curve.

3.5 The effect of change management on organization's innovation

Organization's innovation requires some level of change, it is a reflection of the acknowledgment of a new ways to organize a work, and it is a positive action to involve the employees in the improvement operation and to increase the competitiveness of the company (Alex Miller, 1997).

Organization's innovation and performance reacted positively with change management practices and it helps in improving the companies' innovation and competencies. (Ndahiro, Shukla, Oduor, 2015).

Any development activity needs to improve the technical experience and communication processes. In general there are two types of change:

- **Convergent change.**
 It consists of a series of incremental changes; it focuses on the incremental modulations to achieve environmental improvements and innovations. The organizations which use the converge change preserve the Excellency in overcome and performance of the external changes.
- **Transitional change.**
 It is used to change what exists (current state) to a new implementation (future state) by rearrangement and dissociation old operating methods. Occurs over a period of time.(Ahls, B., 2001).

4. Conclusion

Every model of changing management process emphasizes the important role of change and its reflection on the outcomes and returns on organizations and individuals. Although, managing increase the comfortable in a business and job environment.

It needs effort to achieve successful results that satisfy all of employees and leaders in a competitive market place. So, they must keep track with any evolution and improvement in any field.

A growing number of companies lead to increase the competition and the requirement of change rapidly.

Change needs cooperation between leaders and employees to achieve a highly level of competitiveness, and it needs a big effort to aware the individuals of the importance of change and the right way to search and determine the appropriate change management approach.

Sometimes the change plane placed for a long time because of the slowly improvement in some fields, in the other hand, the changes which growing rapidly and fast need a short time changes which updates hourly or daily.

In short, this paper clarifies the important and strong relationship between both of organizations and change managements.

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