

## CHAPTER ONE

### INTRODUCTION

#### 1.0. Introduction

Literature on management state that today's organizations are facing a challenging and turbulent environment which require them to respond by changing their structure, people and technology (Greiner & Barnes, 1970: 3). This will allow them to cope more effectively with new challenges from outside such as increasing competition, advances in technology, new government legislation and pressing social demands. In this relation, Wilson & Rosenfeld (1990: 242) state that "organizations which are not changing or not responding to the challenges are likely to become dinosaurs in the evolution of modern society".

Therefore, the ability to manage change emerges as a new means in management and is now recognized as a core competence of an organization (Burnes, 1996: 11). Realizing the impact of not managing change effectively, many researches have been conducted (Burnes, 1996; Church et al., 1996; Coram & Burnes, 2001) with the aim of providing a sound practical guidance and model on what needs to be changed and how to implement the change (Che Mahzan, 1995; Winum et al., 2002).

There are two types of change, i.e., unplanned and planned change. Unplanned change takes place when something unavoidable happens to an organization and is outside its control (Huse, 1975: 90). It can be a source of opportunity or threat. Therefore managers need to do their best to anticipate such opportunities or threat by being prepared to take

advantage or caution them as soon as they appear. Examples of unplanned change include the breaking down of the computer network system, climate changes and high number of absenteeism. These are some situations in which something unexpected has happened. Whether the changes are undesirable or desirable, managers need to find out why they occur. They must find the cause so that an undesirable change can be corrected, or a desirable change perpetuated ([http://www.ftmastering.com.mmo/mmo03\\_5.htm](http://www.ftmastering.com.mmo/mmo03_5.htm)).

On the other hand, planned change, according to Chin and Benne (as quoted in Marguelis & Raia, 1978: 41) refers to "changes which are conscious, deliberate and intended". Here the organization sets out to make the best-planned change by choosing the best possible option from a range of options available. This is to ensure what is expected or planned happens exactly as intended. Planned change comes in various forms. These include total quality management, downsizing and reengineering. These three forms according to Cameron (1999: 7) are the most common organizational change initiatives implemented in the last two decades. All these forms of change are aimed to increase the organization productivity and effectiveness.

Why does change need to be managed? To what extent is it important to an organization? These are among the questions that need to be answered when issues of managing change are discussed. Changes, once they take place in an organization, will definitely shatter the status quo of an organization. For example, some of the employees might be transferred to another division, some might be promoted, some might be sent for training and some might remain at their present place. These will definitely make change either favored or disliked. So, in managing change, French & Bell (1999: 272) mention that the perspectives of those

that are affected need to be considered; their needs and voice need to be listened to and they need to be tactfully handled so as to minimize the level of resistance to change.

Another important issue that is related to managing change (Neilson quoted from Che Mahzan, 1995: 156) is 'gamesmanship orientation' or in other word manipulation. It appears when it is managed to suit the interest of either employers or employees. As mentioned earlier, in managing change, data need to be gathered so that a rational decision could be made on what needs to be changed and how to implement it. However, in the process of data gathering and decision making, some individuals or parties may provide data to promote their hidden agenda for the fulfilment of their personal interest. When such activity is out of control, it will affect the organization process of managing change as it would create conflict and organizational politics (Collin, 1995: 134).

Can change be managed by anybody in an organization? Some people might be of the opinion that change is very easy and everyone is capable of handling it. However, to implement change effectively, organizations need to be facilitated, guided and managed by an internal or external professional or an expert in the management of change (Senior, 2002: 318). The experience of big organizations shows that with the help of a skilled change consultant, their organizations have successfully accomplished the desired change. So do the organizations which appoint internal managers who possess skill and knowledge to execute change. They too achieve their aim for making changes (London, 1995: 4).

Previously, management of change is practiced by those in public and private organizations as they believe that its effectiveness increases the organizations' competency. Today's managing change has also been implemented in higher education institutions (HEIs). For

example, recently, the concern for quality has become a trend in HEIs (Reed, 1995: 328) and this has changed the way HEIs are managed. Initially, stage to ensure quality prevails, HEIs are enthusiastic and committed to ensure target is achieved. However, many have failed to implement the change in their organization effectively.

### **1.1. Problem Statement**

The focus of this research is on how to manage planned change in an organization. Many literature state that carefully managed planned change could not only solve organizational problems but also improve the effectiveness of an organization. There are sequential steps that need to be followed based on accurate information about where the organization is, clear direction on what to achieve and clear strategy on how to implement it. However, in reality, according to Che Mahzan (1995: 124), 'managing change is not like a textbook story: smooth and sequential' and thus, we need to be prepared to anticipate unintended consequences (Trowler, 2002: 5).

Planned change is usually initiated and managed by leaders or top management. Change which is not vigilantly managed will always be followed by resistance (Coram & Burnes, 2001: 94) and manipulation (Huse, 1975: 75; Che Mahzan, 1995: 151; Jelinek et al., 1995: 111) which leads to its inability to reach the intended state. However, when the objectives for changing and plan of action are communicated clearly (Muse & Burkalter, 1998: 178), leadership is skillful (Graetz, 2000: 550), employees are encouraged to participate rather than merely be in the position to receive direction in the implementation process, and recipients' perspectives on change are taken into account (Coram & Burnes, 2001: 94). It is believed that it could minimize the level of resistance for manipulation. In turn it would



enhance morale, improve communication, more mutual influence and improve organizational effectiveness (French & Bell, 1999: 271).

Despite the above scenario, many researches show that management of change fail to achieve its desired target. Several other problems faced by organizations in managing change are related to leadership, time management, communication and problem projection (Che Mahzan, 1995: 150 – 152), discrepancies in linking strategic plans with the reality, difficulty of planning for large-scale changes, false assumptions about the unchallengeable environment and degree of choices available (Salauroo & Burnes, 1998: 451), lack of clarity in planning, an over-emphasis on changes to structures and procedures and inappropriate approach to change (Coram & Burnes, 2001: 94), unskilled or untalented internal leadership to lead change (Crom & Bertels, 1999: 162) and focusing on short-term activities rather than on long-term activities in the change process (Kanjilal et al., 1999b: 363). Although many researches have been conducted and many literatures on managing change are available, many organizations are still unable to manage change effectively.

The International Islamic University Malaysia (IIUM) has started to manage its planned change since the launching of Quality Culture program in early 2000. Based on preliminary observations and interviews, IIUM might be experiencing the same problems encountered by other organizations in managing change. Among the problems that might be faced are unskillful leaders to lead change, resistance to change, complacency (Quality Quest Jan, 2001: 4) with the status quo, communication problem to disseminate important information (Utusan Malaysia, 14/1/2003; 17/1/2003; 14/2/2003), incomprehensive planning of change, lack of members' participation and lack of accurate information on what need to be changed. Thus, this study tries to examine the effectiveness of change management at

International Islamic University Malaysia. In addition to that, this study will identify weak areas that need to be improved so as to ensure the effectiveness of its change management.

## **1.2. Research Objectives**

Realizing the importance of managing change, the objective of this study is to examine its effectiveness at IIUM from the perspective of the managers. This includes (1) their perception on the dimensions that indicate the effectiveness of management of change; (2) their attitude towards change; (3) their behavior towards the implementation of quality principles; and (4) their perception towards several important organizational functions. In this research, managers are chosen, as they are involved directly in the administration process either as change agents or change recipients.

More specifically, this study attempts to answer the following questions:

- i. What is the managers' perception towards dimensions that indicate the effectiveness of management of change, i.e., organizational commitment, work culture, participative management, communication system and organization learning?
- ii. What is the managers' attitude towards change?
- iii. What is the managers' behavior towards the implementation of quality principles?

- iv. Are the following organization functions, i.e., organization purpose, organization structure, helpful mechanisms, intra organizational relationships, rewards system and leadership contribute to the effectiveness of management of change?

### **1.3. Hypotheses of the Study**

The hypotheses of this study are as follows:

Hypothesis 1: The higher the level of managers' involvement in the dimensions that contribute to the effectiveness of management of change, the higher the level of effectiveness of management of change.

SH 1.1: The higher the level of managers' organizational commitment, the higher the level of effectiveness of management of change.

SH 1.2: The higher the level of managers' involvement in positive work culture, the higher the level of effectiveness of management of change.

SH 1.3: The higher the level of managers' participation in management, the higher the level of effectiveness of management of change.

SH 1.4: The higher the level of managers' involvement in communication system (formal and informal), the higher the level of effectiveness of management of change.

SH 1.5: The higher the level of managers' involvement in organization learning, the higher the level of effectiveness of management of change.

Hypothesis 2: The more positive the managers' attitude towards change, the higher the level of effectiveness of management of change.

Hypothesis 3: The greater the implementation of quality principles, the higher the level of effectiveness of management of change.

Hypothesis 4: The more effective the organization functions, the higher the level of effectiveness of management of change.

SH 4.1: The higher the clarity of the organization purpose, the higher the level of effectiveness of management of change.

SH 4.2: The fittest the organization structure to the organization purpose, the higher the level of effectiveness of management of change.

SH 4.3: The higher the level of implementation of the rewards system, the higher the level of effectiveness of management of change.

SH 4.4: The closer the relationship between individuals, units and task, the higher the level of effectiveness of management of change.

SH 4.5: The more helpful the management mechanisms, the higher the level of effectiveness of management of change.

SH 4.6: The higher the level of leadership support, the higher the level of effectiveness of management of change.

#### **1.4. Research Design**

This is a quantitative case study research which intends to analyse the level of effectiveness of management of change at IIUM from the perspective of the managers. This study used the survey questionnaire method as the main tool to obtain empirical data about the level of effectiveness of management of change to ensure quality is in place. It also examined the level of effectiveness of the six organization functions that are important to determine the success of its change management. This survey method is chosen because it is economical and can ensure anonymity.

The questionnaire was divided into four parts. In Part I, respondents were required to describe briefly their personal background. In Part II, the information about the respondents' perceptions on the dimensions that indicate the effectiveness of management of change was collected. It will be followed with the collection of data about respondents' attitude towards change. In Part IV, respondents' behavior on the extent of quality principles implementation in the organization was gathered.

In the last part, i.e., Part V, an adapted questionnaire developed by Robert C. Preziosi (cited from Yong, 1998: 40) on Organizational Development will be used. The questions attempt

to gather information regarding the effectiveness of the organization functions in the six areas, i.e., organization purposes, organization structure, intra organization relationships, rewards system, leadership contribution and helpful mechanisms. Several SPSS tools will be used to analyse the data such as Pearson correlation.

The study was conducted at IIUM. All managers at its campuses which are located at Gombak, Jalan Duta, Kuantan and Petaling Jaya were the population of the study. The number of officers involve in this study were as follows: Category 'A' Officers such as Administrative Officers, Engineers, System Analyst and Research Officer is 232 and Category 'B' Officer such as Assistant Administrative Officers, Computer Programmer, Technicians and Assistant Information System Officer is 163. The recommendations on the improvement action that should be taken to manage change more efficiently and effectively were provided based on the analysis of the findings.

### **1.5. Significance of the Study**

Kanter (1992: 516 – 517) suggests that it is not advisable to start a change process by 'simply copying the current practice of companies that successfully transformed their business and ignoring all the false starts, messy mistake and controversial experience that got them there .... Every company, regardless of its difficulties, has some positive innovations to build on .... Even in troubled industries, some companies do well'.

Thus, in the context of managing change to achieve quality culture, organizations are encouraged to learn from other organizations which are of the same nature. This could minimize the trial and error process which will then reduce any barrier to implement

change such as the time and resources consumed to achieve the desired target as advocated by Kanji (1999b: 359).

Many researches on managing change by adopting quality principles to achieve organization efficiency in HEIs have been conducted in other countries. However, the concern over the generalization of its findings arises. Would those findings apply to the Malaysian context? Thus, this research is timely.

The findings from this research can be used by the relevant authorities especially of IIUM (i) to be used by the management for the purpose of improving changes to achieve organizational effectiveness, (ii) to be used as a guideline to study management of change especially in HEIs by other researches in the future, (iii) to fill the loopholes or lack of such reference in the field of management of change in HEIs.

#### **1.6. Framework of the Study**

As the program to achieve quality culture in IIUM was launched on 29 April 2000, it is assumed that the organization is still in the change process. This assumption is based on the experience of other organizations where the process to change their culture takes at least 5 to 10 years to complete (Quirin, 1993: 35, Porras, 1987: 31). Based on the review of literature, there are several independent and dependent variables identified that contribute to the effectiveness of management of change.

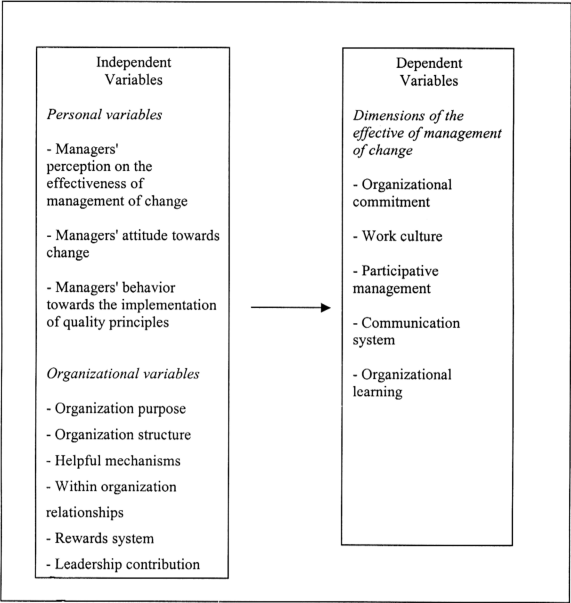
The independent variables consist of two main variables. They are: (1) personal variables which consist of managers' perception on the effectiveness of management of change;

managers' attitude towards change; and managers' behavior towards the implementation of quality principles; and (2) organizational functions (variables) i.e. organization purpose, organization structure, helpful mechanisms, intra organization relationships, rewards system and leadership contribution.

The dependent variable is the effectiveness of management of change. In order to measure the effectiveness of management of change, several important variables have been identified, i.e., organizational commitment, work culture, participative management, communication system and organizational learning. It shows that the existence of these variables in the organization are closely associated with the effectiveness of management of change. Hence, this research examines the relationship between the independent variables and the dependent variables. Figure 1 shows the conceptual framework of the study.



Figure 1 – Framework of the study



## **1.7. Organization of the Study**

The study is organized into six chapters as follows:

Chapter One: It consists of the background of the study delineating the statement of problem, purpose of the study, research questions, hypotheses, a brief research design, significance of the study, framework of the study and organization of the study.

Chapter Two: It presents a review of related studies and literature.

Chapter Three: It describes briefly about the commencement and the management of change to ensure quality culture prevails at IIUM.

Chapter Four: It describes the instruments employed in the study, the population and sample and the data collection procedures.

Chapter Five: It deals with the presentation and analyses of data.

Chapter Six: It provides discussion of the major findings, limitations of the study, and suggestions for future research.