MEMBERS
HRMARS

Search here

Go!

WANT TO BE A MEMBER
Register Now!

Search Members!

HUMAN RESOURCE MANAGEMENT ACADEMIC

Editor-in-Chief
Professor, Dr. Aslam Adeeb
Chairman, Central Executive Committee, Human Resource Management Academic Research Society.

Associate Editors
Mr. Hassan Danial Aslam

Executive Associate Editor(s)
Mr. Shakeel Sarwar
Research Scholar, Department of Management Sciences, The Islamia University of Bahawalpur, Pakistan

Editorial Board/Advisory Board
Professor Dr. Nkasiobi Silas Oguzor
Provost, Federal College of Education (Technical), Omoku-Rivers State, Nigeria

Dr Muhammad Ali EL-Hajji
Former Lecturer at Liverpool John Moores University, UK.

Dr. Filofteia Viorina Mirea
Associate Professor, Faculty of Finance and Accounting, Spiru Haret University, Arges, Romania

Dr. Cezarina Adina Tofan
Associate Professor, Faculty of Finance and Accounting, Spiru Haret University, Arges, Romania

Dr. Cristina Alina Naftanaila
PhD Professor Assistant, Faculty of Finance and Accounting, Spiru Haret University, Arges, Romania

Professor Dr. Raja Rosla Bin Raja ABD. Rehman
University Technical Malaysia Melaka

Professor Dr. Oliver E. Osuagwu
Federal University of Technology, Owerri, Nigeria

Professor Dr. Akbar Nikkhah
Distinguished Professor of Science
Distinguished Mentor of Science Education and Dissemination
Distinguished Elite Scientist, National Elite Foundation, Iran
Department of Animal Sciences, Faculty of Agricultural Sciences, University of Zanjan, Iran

Professor Dr. Tarek Taha
Faculty Dean, Pharos University in Alexandria, Egypt
Impact of Organizational Change to Achieve Competitive Edge

Awe, Kayode O
and
Obanla, Adebayo A
Department of Industrial Relations and Public Administration
Faculty of Management Sciences
Lagos State University, Ojo
Lagos-Nigeria

Abstract
The purpose of this paper is to analyze that organization which changes its ways of doing things an or before time is either better able to achieve competitive edge. A model is design based on the literature, linking factors of organizational change to achieve competitive edge. The literature and various studies concluded that factors: employee empowerment, leadership style and culture at workplace play an essential role in achieving edge in hyper competitive environment when any changes occur in the organization. More the employee empowered, leader’s communication and flexible organizational culture supports positively towards organizational change. The study focuses on the practice and observance of the three central factors, employee empowerment, leadership style and organizational culture for enhancing positive organizational change that gives the organizations competitive edge relative to others. The organizations should design their rules, policies and organizational structures that give space to work well and appreciate them on their tasks fulfillment and achievements. This will surely lead to organizational growth.

Introduction
All the things in this temporally existing world changes, nothing remain static forever even the world itself. There are many challenges that organizations face in dynamic environment but the most important is change, which changes the way of doing things in workplace. Organizational change is explained as “An alteration of an organization’s environment, structure, culture, technology, or people” (Michael Crandall, 2006). Organizations can either enter or exit from the market by accepting and rejecting change. There are three forms of change that organization faces these are adaptive, innovative and radically innovative change (Poole, et al., 2000).

Adaptive Change is one in which members of the organization launching the same concept that exist before with the new thought (Poole, et al., 2000).

Innovative Change occurs when venture totally applying the new concepts (Poole, et al., 2000).

Radically Innovative organization commencing the already existing concept in the market but it should be new to the organization in which concept is introducing (Poole, et al., 2000).

D’Aveni (1980) said that due to adverse competition customers are even expecting more than before, technological advancement and reducing the barrier for new venture to enter into existing market, demand the organization to respond to the changes as early as possible as any other going to implement that changes. If you don’t create change, change will create you.

Organizational change is very difficult to handle because of uncertain environment and the outcomes associated with it. Management of particular organization is not sure that after implementing particular change they will ensure success or gain competitive edge (Henderson and Clark, 1990). Organizations which have more flatten structure are going to implement the changes effectively as compared to those who have more hierarchy, formal rules and regulation, centralized decision making. Progress is
impossible without change, so organizations that remain wants to at the top are always more proactive to change.

The aim of this paper is to find out that organization which changes its ways of doing things on or before time is either better able to achieve competitive edge. Organizational change plays a significance role to achieve competitive edge. Now a day it is becoming necessary for almost every organization to alter its way of doing things to survive or to gain the advantage relative to its competitors. And it is possible only when organizations are more flexible towards change. Market changes every moment and it becomes essential for organization to alter its strategies time by time to remain a part of that market. Change is often quick so it is necessary that it is implemented effectively. The remaining section of this paper ordered as follow: the following section of this paper support the main theme through literature. And after that in the next section there is model which is justified by different authors and in the last section conclusion of this paper is written.

Organizational Change: Conceptual Explanation

Organizational change taken as the process which changes either the composition or purpose of business (Carnall, 1986). Now a day it is an ordinary thing for the organizations to continuous experience modifications in the way businesses do its work. Either internal or external factors enforce the organizations to make changes that are necessary for survival or involve the venture to act in order to remain industrious and competitive in its market (Chrustciel and Field, 2006).

Successfully managing a significant change is now becoming necessary for every organization (Parish, Cadwallader and Busch, 2008,). Organizations that have various ways to arrange resources when it needs and the competencies that are necessary for the change processes are better able to gain the advantage in this hypercompetitive environment (Ma, 2000). Organizations that show proactive behaviour towards organizational change gain a remarkable advantage relative to its competitors. Edgelow (2010) said that by working on change organizations relate it to the continual flow of organizational change in order to carry out to do their work more successfully and competently. Change is now becoming the global challenge for every organization because of technology, economic and worldwide modifications that enforce organizations to change. Changes in the organization are necessary with the passage of time through which organizations can gain edge in the market or at least can survive in the rapidly changing market (Denning, 2005).

There are various factors which influence the change which depend on the condition and the problem that organizations face at workplace but the most common are three which discuss in this article in detail which are employee commitment, top management support and organizational culture.

Employee Commitment and Organizational Change

Employees who cannot change their minds cannot change anything. Mowday, et al. (1982) defined the commitment as “Organizational commitment is the willingness of workers to devote energy and loyalty to an organization”.

The key of organizational success is to achieve competitive advantage that organizations gain by implementing necessary changes in the work setting and employees are playing a key role in it. When they are motivated towards their work they get the desired goal (Ongori, 2007). Earlier organizations gain the trustworthiness of employees by assuring the job protection. Employees do job till the completion of their services but now it is very uncertain that employee will hold the job for a couple of years because of uncertain environment. Job insecurity creates the most dangerous stress at workplace because when employee uncertain about his future he will take stress that reduces employee performance. Tan, Tan and Tiong (2006) try to explain and tell the influence of stress and work satisfaction on the employee departure. Employee commitment and stress depend upon the environment in which he works. If working environment is good then employee will feel comfortable at workplace and focus to achieve the organizational objectives. But if the environment is not friendly then
employee work in depress environment that reduces their performance level at workplace (Brockner, et al., 1992).

Any change, even a change for the better, is always accompanied by drawbacks and discomforts. Employees are more satisfied from the organizations which are stable over time as compared to those which changing its policies (Wanberg and Banas, 2000). But now the trend is changing because organizations want to achieve competitive edge that organizations can do by decreasing the number of employees at work place and by changing the way of doing business to increase improvements that give edge relative to their competitors in the market but it decreases the employee commitment. Organizations that want to achieve competitive edge work on employee benefits in terms of satisfying working conditions, employees guidance that how to perform particular task and bonuses that increases employees morale that increases employee performance at workplace (Meyer and Stensaker, 2006).

Leadership Style and Organizational Change
Burke-Litwin (2009) takes the leaders as “Executive behavior that provides direction and encourages others to take needed action; includes followers’ perceptions of executive practices and values and leaders’ role modeling”. Leadership style is an important aspect and it may positively or negatively affect the employee performance at workplace. Employees are more committed with their job who works under leaders who have clear direction and know how to get work from employees. When employee knows his responsibilities his morale will increase and they focus on achieving organizational objectives and as a result productivity or profit of organization increases (Rotenberg & Saloner, 1993).

Now a day's technology is considered as important thing to understand that build competitive environment that in turn forces the organization to adopt that technology as early as possible. When technological changes are occurring in the organizations then worker resist changing because they know the old rule of thumb method and they remain want to do work with these methods. So before implementing the change in the organization it should be conveyed to workers in a positive way. And leaders must tell them the long term benefits of implementing the change that gives the employee the direction and ambition to work on that change. If management really want to achieve the competitive edge in the market then it is necessary to implement the change and reduce stress by providing them supportive environment that gives them direction to work more efficiently (Giga, et al., 2003). If management wants to successfully implement the change in the organization then leaders must change their own ways of doing things as well as motivating employees at work. Sometimes it's the smallest decisions that can change your life forever. So leaders take change as the most important factor that leads them at top.

Organizational Culture and Organizational Change
Culture of organization is explained as the shared standards as well as faiths that assist individuals to realize the way the organization function and offer norms for the performance in the organization. Earlier studies showed that culture of organization influences employees and organization itself that in turn influences change. In today's more competitive environment it is necessary for the organization to develop favorable organizational culture that increases job performance that help to reduce resistance when organization is going to change its strategies or way of doing things at workplace.

Norms and values of the organization are not always consistent or fixed. It changes with the passage of time that’s why it look sensible or realistic to imagine all cultural system that demonstrate constant, and increasing modifications in the organization. (Welck and Quinn, 1999). Changes in the organization are affected by the norms and values of the employees that are embedded at the workplace (Schein, 1992). Sathe and Davidson (2000) said that alterations in organizational culture also modify the mentality of people to do work and it also changes the attitudes of employees towards implementing change.

Organizational Change and Competitive Edge
Tashman (1999) suggest that now a day's change are occurring at rapid pace either to achieve the competitive edge or either want to enhance the performance of existing business. There are various
factors which force the organization to think about implementing the new idea that is necessary for the organization's survival or to achieve competitive edge (Denning, 2005), which are as follows:

- Managers first clearly tell the employees that why particular change is necessary for the organization and how it can be effectively implemented if they really want to see the organization at the top.
- In the second step while effectively implementing the change is that there should be complete and formal map of the change process. Only communicating the need for alteration is not sufficient for implementing the change. New and emerging thoughts should be converted into proper tactics that tell the change agent the number of ways through which they achieve the objectives they want to achieve and it also tell the hurdles to which leaders can overcome by applying proper tactic.
- Leaders must effectively communicate the desired objectives to the employees that working on implementing the change process and by creating a supportive environment through which they can decrease the resistance.
- Leaders must also involve themselves with the change process.
- To successfully implementing the change process it is necessary that organization must have enough resources to sustain the process. Resources are necessary for developing strategies, telling the employees that why particular change is necessary to implement for the organization and for guiding the subordinates (Denning, 2005).

In the conceptual framework it is well understood by the shapes that organizational change is independent variable and competitive edge is dependent variable and the originality of this paper is that observing the impact of organizational change on competitive edge. Then in the model it is explain that organizational change is effected by the three factors most than any other one that are employee commitment, leadership style and organizational culture. Under following section these three factors explain in detail and further it tell us that how these factors positively or negatively influence the changes in the organization.

**Employee Commitment and Competitive Edge:**

How change is taken by the individual worker is an important thing to understand (Parish, Cadwallader and Busch, 2008). Despite the fact that implementing change is an important part to remain in the market, its acceptability differs from one organization to another organization. Employees are the one who affected by the change first, so it is necessary that employee accept the change with full zeal. When employee way of doing thing changes at workplace they resist to change because it alter the routine or usual way to perform task that assign to them or they fear to lose existing position (Ongori, 2007). The increasing incidence and complication in the implementation of change at workplace need workers to confess alterations without disruption and resistance towards change is the more general response that worker shows towards change.

At all the stages of life people face some sort of stress at work place but the most important one is job stress, which complicate the life of individual. Job stress arises under working environment or by worker themselves (Riggio, 2003). Workplace stress is considered as an important indicator which forces employees to make absence from work that ultimately decrease the performance of employee at work and increases turnover (de Croon, et al., 2004).

When employees take stress at work place it will give negative outcomes to both individuals and corporations (Nigam, et al., 2003). Structural factors can also be the source of job stress and it consider the environment under which employee do their work like rules and regulation at workplace, Role of employee is not clearly defined by the management, lack of compensation and bonuses (Ogundele, 2005).

In today's competitive environment organizations cannot achieve edge if members of organization are not fully committed with the work. People who are more motivated towards their work have better

**Affective**: They really want to change the organization because he is emotionally attached with the organization. Employee knows that if organization wants to achieve competitive edge then it must respond towards change (Herscovitch and Meyer, 2002 cited in Parish, Cadwallader and Busch, 2008).

**Continuance**: Employee committed to work because they know the cost of showing resistance to change as he has to leave the organization if he resists (Herscovitch and Meyer, 2002 cited in Parish, Cadwallader and Busch, 2008).

**Normative**: Employee committed because they think that it comes in their duty to accept and implement the change as effectively as possible (Herscovitch and Meyer, 2002 cited in Parish, Cadwallader and Busch, 2008).

**Leadership Style and Competitive Edge**

Leaders play an important role to influence the behavior of employees at workplace (Erdogan, et al., 2006 cited in Parish, Cadwallader and Busch, 2008, p.36). Leaders pursue others to realize that what requirements should be made and in which way it can done well furthermore it assist individuals that combined efforts fulfill common objective. Top management must tell the benefits that are associated with implementing the change to both who attached and influence with the change (Don Chrusciel and Dennis W. Field, 2006). Change cannot be successfully implemented without the proper direction of top management although it is thoroughly planned.

Most vital and fundamental step in organizational change is that leaders effectively communicate idea of alteration to employees through each possible way. Boss who communicate the change effectively have a greater influence on organizational existence that finally lead to the organizational success. To implement the organizational change effectively it is necessary that leaders not only communicate the change through words but also through his actions that motivate the employees toward implementing particular change process Kotter, (1995) said that communication concerning modifications help in three stages of implementing the organizational change unfreezing, moving and refreezing.

**Unfreezing (Readiness to Change)**: Stage when people are ready to accept and wants to adopt new behavior. During this phase communication is necessary because members of the organization are losing the old methods through which they complete the work.

**Moving (Implementation)**: occur when change is actually happens. In this phase employees are confused because they are changing the ways of doing things and ambiguous about their future. So communication through top management decreases the confusion and increase workers confidence.

**Refreezing (Making It Stick)**: means that people reinforce the behavior. In this stage communication describe that what members of the organization have completed and explaining the role of members in the latest structure (Van der Waldt’s, 2004 cited in Gordon, 2006, p.05). Ford and Ford (1995) said that alterations in the organization without proper and affective communication are difficult to carry on. So they illustrate four forms of communication that precedes the process.

**Initiative Conversations**: it starts the process by concentrating the members’ interest on what changes to be made.

**Conversations of Understanding**: In this phase members try to find out the problem and begin creating techniques or ways to handle it.

**Conversations of Performance**: In this phase members focusing on creating the planned outcomes.

**Conversations for Closure**: In this phase the change process is complete.

This model aids the functions of communication in a three stage model of unfreezing (instigation), change (understanding and performance), and refreezing (closure). Leaders play critical role in organizations success by adopting the ways through which they inspire their employees, in which manner they handle the upcoming situation and how they formulate important alterations in the
organization (Yukl, 2002). Leaders provoked to start alteration in organization settings to gain competitive edge in the market they start the change process by focusing on what areas in organization need to modify (Robbins & Coulter, 2005). Leaders can implement the change process successfully when they set up the organization to get ready for change, they familiar with their own involvement in the process and can effectively communicate to the employees (Robbins & Coulter, 2005).

**Organizational Culture and Competitive Edge:**

Culture means arrangement of work of arts, principles and attitude and fundamental supposition that members of organization share about suitable actions (Gordon and DiTomaso, 1992). Culture consists of statement, assessment, standard and concrete symptom of organization employees and as a result it affects performance (Zhang & Schroeder, 2011). In today’s information age we are moving towards globalization, so organization has to deal with the change as early as possible with respect to its competitors (Rashid, Sambasivan & Abdul Rahman, 2004).

Flexible Organizational cultures provide support to organizations that it can support the change as soon as possible. A small number of steady tools are planned to measure the general culture of organization. One tool to measure general idea of culture was to review the bureaucratic, innovative, and supportive culture.

**Bureaucratic Culture:** Bureaucratic culture of organization is based on clear judgment, arrange in a proper manner and have chain of command plainly classify the roles and responsibilities of each person (Taormina, 2009).

**Innovative Culture:** Innovative culture was creativities in nature, result oriented and attractive towards high risk.

**Supportive Culture:** Supportive culture support expectation, teamwork and individual autonomy that differentiate by rational and satisfied common contacts (Valencia, 2011).

**Conclusion**

In today’s hypercompetitive environment market imposed high stress on businesses to consistently change if they really want to remain in the market. It is now justified through model that the change which depend on the condition and the problem that organizations face at workplace effected mostly by three factors which are employee commitment, top management support and organizational culture. By focusing on theses three factors organizations can easily manage the change process and gain a competitive edge. Employee are more committed toward implementing the change process when they know the proper direction that, where they really have to exert their efforts to improve the organization performance relative to its competitors. And it is only possible when leaders communicate the potential benefits to the employees and it’s after long term benefits that they can gain by working on that change process (Erdogan, et al., 2006). Culture of organization effect the way people think and behave in any particular situation. If people of organization are introvert they resist to change and show rigid behavior towards change but if the people of organization are extrovert they are more flexible towards the change process. Supportive and innovative culture of the organization support the process of change but Bureaucratic culture of organization is based on clear judgment, arrange in a proper manner and have chain of command plainly classify the roles and responsibilities of each person that sometimes forbid the change.

**References:**


Edgelow, C., 2010. 'The four challenges'Sundance Consulting Inc'.


Gordon, k., 2006. 'The importance of communication in implementing organizational change: a review of the literature for information organizations'. San Jose State University, School of Library and Information Science.


Sathe, V. & Davidson, E., 2000. 'Toward a new conceptualization of culture change'. Handbook of Organizational Culture and Climate, pp.117-129.


Tan, J. Tan, V. & Tiong, T., 2006. 'Work Attitude, Loyalty, and Employee Turnover Singapore Institute of Management, National University of Singapore'.


