THE MAIN TYPES OF ORGANIZATIONAL CHANGES: A CASE STUDY OF KOSOVO

Halit Karaxha ✉

n.n. 10000 Pristina, Republic of Kosovo

halitkaraxhaekonomik@gmail.com

Hidajet Karaxha

n.n. 10000 Pristina, Republic of Kosovo

hidajetkaraxha@gmail.com

Berim Ramosaj

Faculty of Economy, University of Pristina, "Agim

Ramadani" n.n. 10000 Pristina, Republic of Kosovo

b_ramosaj@hotmail.com

Abstract

There is an inevitable need to recognize the types of changes and how they best fit the goals of the organization. Many types of change are known, but the adaptation of the appropriate type of change is very important in the effectiveness of the changes. Effective organization management requires support from top management, because changes that are made to be effective, throughout the process of change, as well as in the implementation phase of the changes. The purpose of this study is to identify the main types of changes and to provide study achievements on the most effective types of organizational change in Kosovo businesses. Respondents for the research of this paper have been deliberately selected by respondent, owner, co-owner, general manager, marketing manager, financial manager etc, of small and medium businesses operating in Kosovo. The data collection was done through direct contact with the general manager, human resource manager, financial manager, marketing manager, and other managerial staff in the company. Data processing was done through the SPPS program, while the data analysis was done through descriptive analysis and bivariate analysis (cross-tabulations and Chi-Square Test). Study findings show that the transitional type of

change is most commonly applied to businesses in Kosovo, followed by developmental changes and more than just the transmutation type of change applied. Also the findings of the study show that the success of change in Kosovar businesses also depends on the type of change.

Keywords: Managing changes, transition changes, types of changes, technology, implementing changes

INTRODUCTION

Changes are important in organizations and in society, part of the changes work, and while most changes in effort fail (Kotter, 1995). Political changes in human resources occur mainly due to the political reasons of some types, such as changes occurring at the highest levels of patronage in government agencies (Lorenzi & Riley, 2000, pp. 116-124). Employee Resistance to Change is a clear challenge for business organizations (Chew & Choo, 2008, pp. 100-118). Various studies have identified different factors that affect the successful implementation of the business change process. One such factor is leadership engagement, as it plays a role in providing a clear vision for the future (Hammer and Stanton, 1995, Laë and Ngai, 2007). Innovative processes relate to the integration of learning at an individual, organizational and business level (Andreu, 1997).

Initiatives of change in business process include three types of managerial concern levels: the level of the enterprise, the level of process / department and activity level (Harmon, 2007). Change Management refers to a number of basic tools or structures that aim to keep any changeover efforts (Hornstein, 2014). The importance of information systems and the implementation of various types associated with adoption during the change process have become a challenge for public organizations (Jääskeläinen & Sillanpää, 2013).

LITERATURE REVIEW

Types of Changes

The organization is a complex system that produces results in the context of an environment, a resource group available. An effective organization meets the expectations of many stakeholders, including shareholders, employees, suppliers, consumers, and the society in which it is located. It also requires the loyalty and commitment of these actors to the long-term survival of the organization and social network in which it is embedded (Kochan and Useem, 1992) (quoted in Alas, 2007). Organizations commonly respond to the challenges of new technologies, young competitors, new markets, and greater performance requirements with

different programs, each designed to overcome obstacles and boost business performance (Luecke & Beer, 2003) . Developing a change strategy that will fit the type and extent of changes we are working on is the key to successful change (Anderson 2008). Organizations and societies often face pressure to make changes, which are:

➢ Internal Pressures and

➢ External Pressures in Nature.

External pressures include the growth of globalization, communication, political pressures, economic reversals which may include oil prices, and others. While internal pressures include raising the level of education, improving socio-economic status, the desire to live a good quality of life. Change can be described in many dimensions. It can be:

➢ Continuous and Growing,

➢ Sporadic and Radical,

➢ Planned or Unplanned,

➢ Disastrous or Evolutionary,

➢ Positive or Negative,

➢ Strong or Weak,

➢ Slow or Fast,

➢ Inside or Stimulated Outwardly (Shivappa , 2015) (quoted at Jalagat 2015).

Accordingly, Robbins (2005) claims that the changes can be categorized into:

➢ First-order change involving evolutionary change and increasing change,

➢ Second order changes involving transformational, strategic, and revolutionary changes (Shivappa , 2015) (quoted at Jalagat 2015).

Evolutionary and growing change refers to small size changes as finding ways to improve the current situation by keeping the overall framework of work (Blumenthal and Haspeslagh, 1994, Goodstein and Burke, 1991, Greiner, 1972, Levy, 1986 ; Mezias and Glynn, 1993; Nadler and Tushman, 1989; 1990) (quoted at Jalagat 2015). On the other hand, changes of the second order: transformational, strategic, and revolutionary changes relate to total changes and are called radical changes that require form of organization and new competitive advantage (Ghoshal and Bartlett, 1996; Marshak, 1993; and Hutt, Walker and Frank, 1995) (quoted at Jalagat 2015). Grundy (1993) has introduced new models for change as he classifies changes in three types:

➢ Slow growth changes;

➢ Change with growing pits and

➢ Interrupted change also called as "breaking the frame for changes".

Table 1. Types of change

Types of change	Slow growth changes	Changes with growing pits	Interrupted changes
Definition	Change that develops slowly systematically and predictably	Periods of relative calm interrupted by the pace of acceleration of change	The change that is marked by rapid shifts in either strategy or culture or in all three strategies
Example	Organizational culture evolves overtime.	Changing requirements for products resulting from computer-based office entry systems	Privatization of Publicly Owned Enterprises

Source: Grundy (1993: 25) (quoted at Jalagat 2015).

Another theorists of change is Professor Nut, who introduced three types of changes that are:

> ➢ Adaptive Changes,
> ➢ New Changes and
> ➢ Innovative Radical Changes.

Adaptive change involves transferring the change from one organizational unit to another, so it is a repetition of change by imitating a customized change. New changes on the other hand, are a change of idea or new ideas, devices or methods. Innovative radical changes are those changes that are considered difficult to achieve because they tend to threaten administrative confidence, disadvantages of the workforce and workers in general (Shivappa, 2015) (quoted at Jalagat 2015). According to Michael Armstrong (2009: 167), there are seven types of change:

> ➢ Increasing Changes,
> ➢ Transforming Changes,
> ➢ Strategic Changes,
> ➢ Organizational Changes,
> ➢ Changes in Systems and Processes,
> ➢ Changes in Behavior and
> ➢ Cultural Changes.

Increasing Changes - There are gradual changes. They take place in small steps. At strategic level James Quinn (1980) (cited in Armstrong 2009: 167) suggested that organizations go through a recurring process that leads to additional engagements that enable the enterprise to experiment with and learn about it, and a different unknown future. Growing changes are developed at the operational level in contrast to the strategic level.

Transforming Changes - Transformation, according to Welsh Dictionary (cited in Armstrong 2009: 168), is: "A change in form, structure, nature of something". Transformational changes are processes that provide an organization to develop and implement major programs, and strategically respond to new requirements and continue to function effectively in the dynamic environment in which it operates. Organizational transformation may include changes radical structures, culture and processes of the organization. This may be a response to competitive pressures, mergers, acquisitions, investments, changes in technology, production lines. These changes can be initiated by a senior management team or by the new chief executive officer.

Strategic Changes - Strategic changes relate to wider changes, longer-term changes and organizational issues in broader sense. Strategic changes are developed in the context of the competitive, economic and social external environment and in the context of the organization's internal resources, capabilities, culture, structure and systems. Its successful implementation requires deep analysis of these factors in the formulation and planning of phases.

Organizational Changes - Organizational changes deal with how organizations are structured and broadly how they function. It involves identifying the needs for reassessment of the formal structure of organizations, which Child (1977) (cited in Armstrong 2009: 169) has defined as a "set of" all tangible features that help shape the behavior of members of them. " Organizational change programs address issues of centralization and decentralization, division of general management tasks from specific activities, how these activities should be divided into different parts of the organization, and how they should be directed, controlled, coordinated and integrate.

System and process changes - Changes in systems and processes affect operations, agreements, and practices that work for all employees or part of an organization. They occur when operational methods are revised, new technology is introduced or existing technology is modified. Technology may consist of computer systems (information technology) that deal with activities such as electronic data exchange, enterprise resource planning, customer relationship management (CRM), computer-based supply chain automation, processes mechanized production, automated production processes (eg, integrated production computers), and distribution systems. Changes in systems and processes affect people's everyday lives in the organization, the work they do, how much they need to make changes, how they are treated, etc.

Cultural Change - Cultural Change aims to change the existing culture of an organization. Cultural changes help the organization, creating a favorable environment and high performance (Armstrong 2009). Deal and Kennedy (1982) (cited in Armstrong 2009: 170) have said there are only five reasons to justify large-scale cultural changes:

> ➢ If the organization has strong values that do not fit a changing environment,
>
> ➢ That the industry is very competitive and rapidly moves like lightning,
>
> ➢ If the organization is mediocre or worse,
>
> ➢ If the company is ready to join the ranks of very large companies,
>
> ➢ If the company is small but fast growing.

Behavioral Change - Behavioral Change involves taking measures to encourage people to be more effective in shaping or modifying the ways in which they perform their work. Change in behavior can be achieved by clearly defining objectives, giving employees more responsibility to manage their jobs as individuals or as teams, and providing rewards that are clearly linked to success in achieving goals in common (Armstrong 2009). According to Luecke & Beer, 2003: 8, organizations usually respond to the challenges of new technologies, new competitors, new markets, and greater performance requirements with different programs, each designed to overcome obstacles and boost business performance. In general, these programs relate to the following changes:

Structural changes - During structural changes, senior management, assisted by consultants, attempts to achieve greater performance in the company. Mergers, acquisitions, and substantial diversification of operating units are all examples of structural change efforts.

Cost Reductions - Such programs focus on eliminating non-essential activities or other methods to reduce operating costs.

Process changes - process changes are usually designed to carry out faster, more effective, safer, and less costly processes.

Cultural Changes - Cultural programs focus on the company's overall approach, relationship between management and its employees, etc. (Luecke & Beer 2003: 8).

Change can be understood with regard to the extent of its scope. Ackerman (1997) (cited in Iles and Sutherland, 2000: 15) distinguishes three types of change:

> ➢ Developmental Changes,
>
> ➢ Transition / Intermediary Changes and
>
> ➢ Transformational Changes.

Developmental Changes - There may be changes in development, planned changes in development or increasing changes. There are changes that enhance or correct the existing aspects of an organization, often focusing on improving skills or processes.

Transitional Changes - Transitional changes seek to achieve a desired and familiar state that is different from the existing state. These changes are episodic, planned and of the second or radical order. The model of transitional change is the basis of many literatures for organizational changes (see for example Kanter, 1983, Beckhard and Harris, 1987, Nadler and Tushman,

1989). The models of transitional change have foundations in the work of Leuine (1951) (cited in Iles and Sutherland, 2000: 15), which has conceived the changes as a three - phase process that includes:
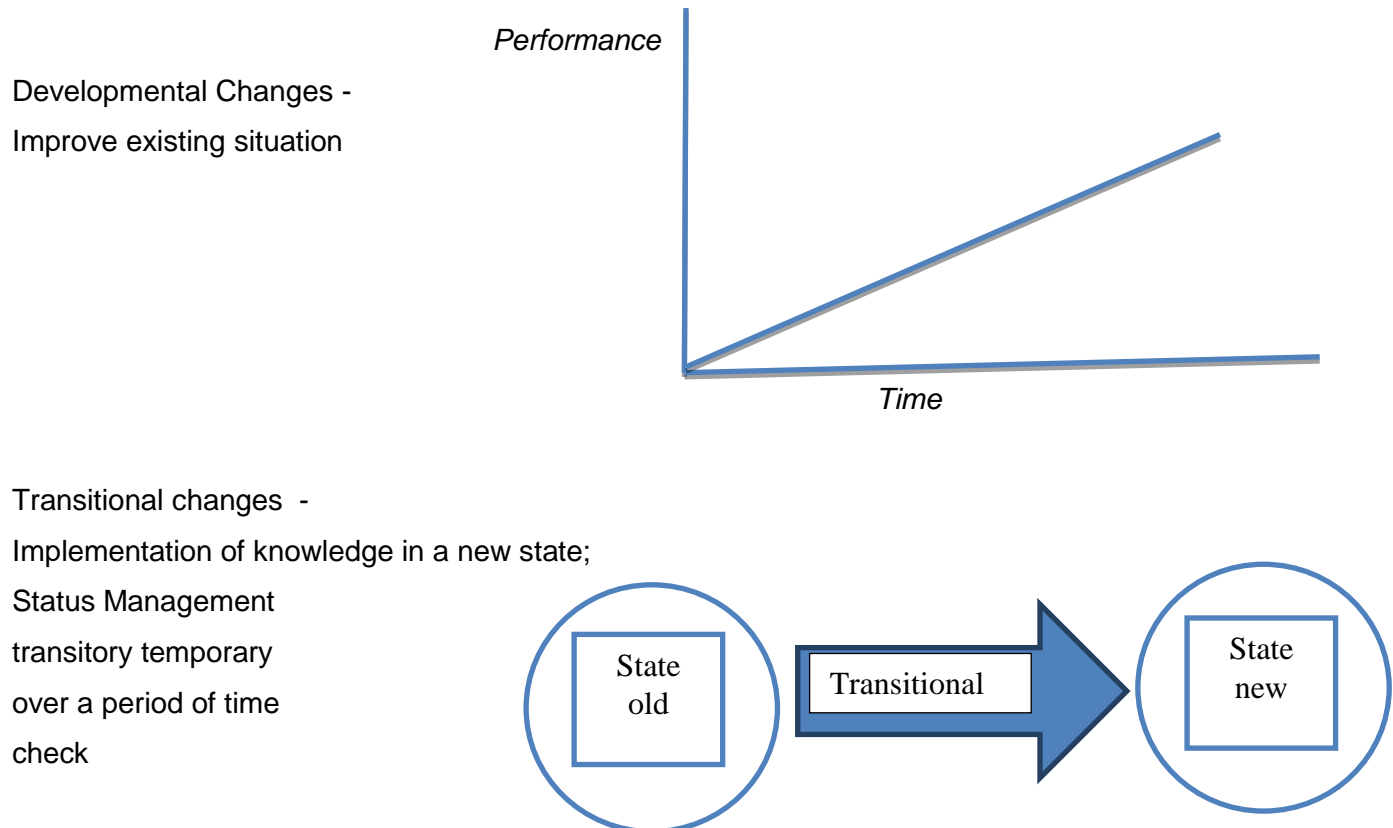
  ➢ Unlocking existing organizational equilibrium,
  ➢ moving to a new position and
  ➢ Re-locking a new equilibrium position.

Schein in 1987 (quoted in Iles and Sutherland, 2000: 15) further explored these three phases. He suggested that unlocking includes:

  ➢ Confirming expectations,
  ➢ Creating guilt or anxiety and
  ➢ providing psychological security that converts anxiety into motivational change.

Transformational Changes - Transformational changes are a way of radical change. Transformation can result in an organization that varies considerably in terms of structure, processes, culture, and strategies. These types of change are adapted by organizations that constantly learn, adapt and improve (Iles and Sutherland, 2000).
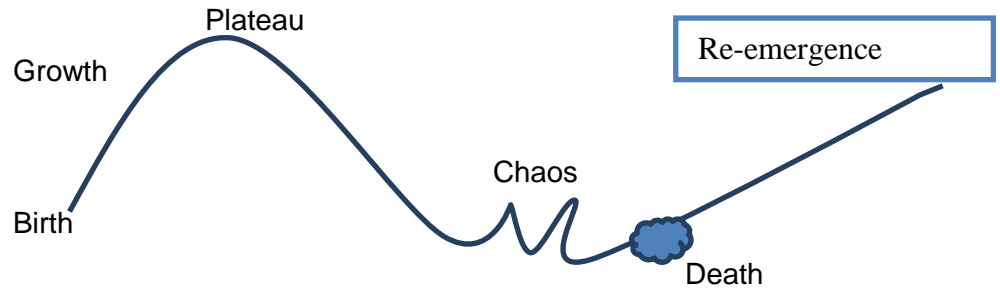
Figure 1. Changing Prespectives

Developmental Changes -
Improve existing situation

Transitional changes -
Implementation of knowledge in a new state;
Status Management
transitory temporary
over a period of time
check

Transformational changes -

The emergence of a new state
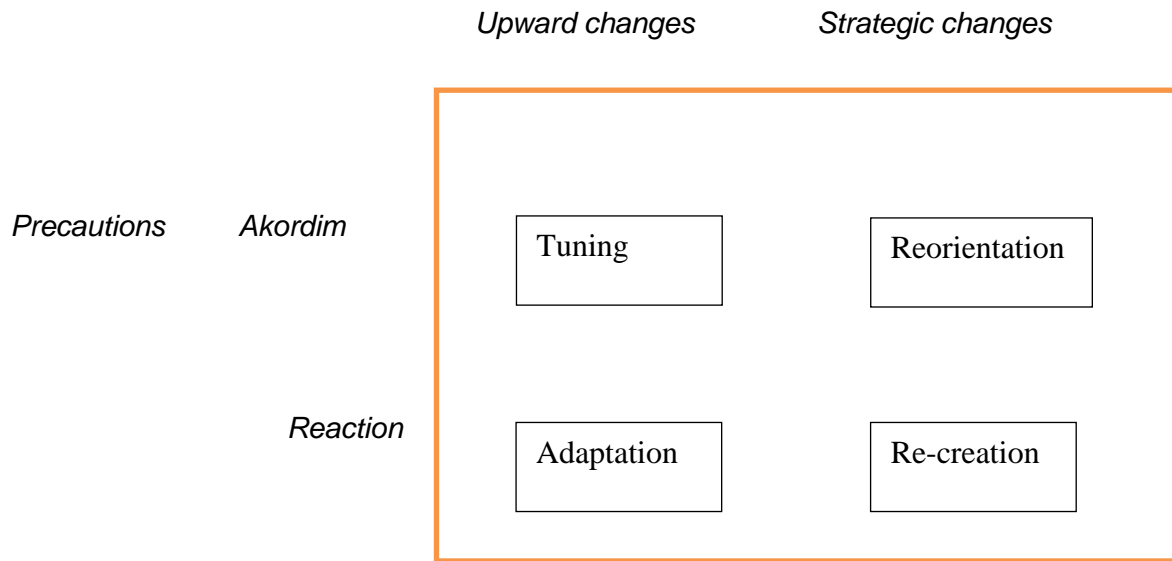
Time periods are not easily controlled

Source: Adapted by Ackerman (1997) (quoted in Iles and Sutherland, 2000: 16)

Types of changes in organizations can be categorized in many ways. The most complete way that describes the changes is that it depends on three main dimensions: origin, results, and the process of change. Next, we will analyze these three concepts (Tripon & Dodu, 2011). The origin of the change according to (Nadler and Tushman, 1989) (cited in Tripon & Dodu, 2011: 13) relates to how the change in organizations and the environment in which the organization works occurs. According to Nadler and Tushman, 1989: 196, the difference can be considered in two dimensions:

- ➤ First Dimension: Includes Increasing Changes and Strategic Changes,
- ➤ Second Dimension: Includes Reform Changes and First Changes.

The first is the purpose of change, meaning the organization's subsystems are against all other systems. Changes that focus on individual components for the purpose of preserving or regaining harmonization are increasing changes. Changes that address the whole organization, including the organization's strategies, are strategic changes. These changes help the organization to get out of a current model and help the organization develop a model of completely new change. The second dimension of change is about positioning change in relation to external events. Some changes are clear in response to an event or a series of events. These are called relative changes. Other changes are initiated, not in response to events, but in anticipation of external events that may occur. These are called preliminary changes (Nadier & Tushman, 1989).

Figure 2. Types of Organizational Changes

Upward changes   *Strategic changes*

|		
Precautions *Akordim*	Tuning	Reorientation
Reaction	Adaptation	Re-creation

Source: (Nadler and Tushman, 1989: 196)

According to Nadler and Tushman, 1989: 196, the four classes of change are the result of the:

Accordion. This is a growing change pending in anticipation of future events. It seeks ways to increase efficiency but does not occur in response to any immediate problem.

Adaptation. This is the growing change that has been made in response to external events. The actions of a competitor, changes in market needs, new technologies, and so on, require answers from the organization.

Reorientation. This is a strategic change made in the luxury of time envisioned by external events that may require change. These changes include basic organizational redirection which emphasize continuity with the past (especially past values).

Re-creation. This is a strategic shift needed by external events, usually those that threaten the very existence of the organization (Nadier & Tushman, 1989).

Figure 3. The relative intensity of different types of change

High	Re-creation
	Re-orientation
	Adaptation
Low	Tuning
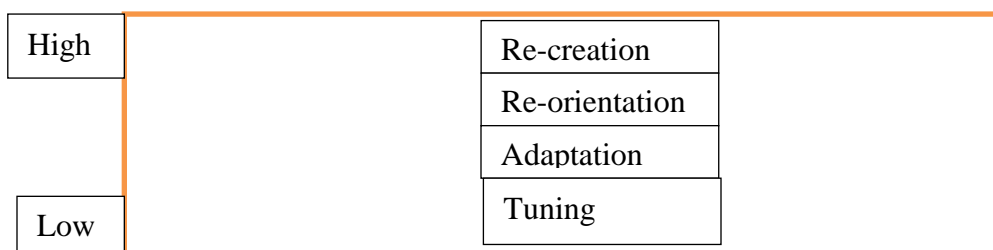
Source: Nadler and Tushman, (1989: 196)

Changes can be categorized by whether its main focus is individual, group or by systems and sub-systems. Based on this categorization we have three types of changes: Increasing Changes, Discontinued Changes, and Continuous Changes Burnes (2009) (Citizen Elizabeth Viktorsson 2014: 11).

Table 2. Types of change

	Increasing changes	Interrupted changes	Continuous changes
Individuals	Sparring	Promotion	Career Development
Groups	Crisis	Construction team	Changes in composition and tasks
Systems	Fine tuning	BPR	Culture

Source: Burnes (2009) (Citizen Elizabeth Viktorsson 2014: 11)

Changes in the form of growth are related more to changes in the level of an individual or group, such as changing the activities, behaviors, attitudes of individuals and groups. While transformational change is associated with changes affecting the whole organization, for example changes in organization's processes, structures and culture (Burnes, 2009) (Citizen Elizabeth Viktorsson 2014: 12).

RESEARCH METHODOLOGY

After the review of the literature, a standardized questionnaire was drafted. The compilation of the questionnaire started after clearly defining the objectives of the work and the research of the existing literature. After compiling the final questionnaire, start collecting the data, the data was provided for direct interviews, polling 399 businesses, out of 393 only 4 interviews were conducted online.   The size of the selected sample by the formula proportions (Yamane, 1967), fulfills the conditions for carrying out these analyzes.

$$n = \frac{N}{1 + N * e^2} n = \frac{328{,}972}{1 + 328{,}972 * (0.05)^2} = 399$$

Parts of the study are three regions: Pristina, Ferizaj and Prizren. Parts of the study were sector companies: Service, Trader-Producer, Producer-Trader. The data provided was codified and adapted in such a way that it could be analyzed through the software package for statistical analysis SPSS. Data analysis was done through bivariate analysis (Cross-Tabulations and Chi-Square Test) and descriptive analysis

RESULTS AND DISCUSSION

Demographic Profile

The results of the study show that 78.4% of men were interviewed, while only 21.6% of women were interviewed.

Table 3. Gender

	Frequency	Percentage	Valuable percentage	Comitative Percentage
Man	313	78.4	78.4	78.4
Female	86	21.6	21.6	100.0
Total	399	100.0	100.0	

Types of Changes

The changes that relate to the change of strategy, structure, and style of leadership are different, as well as transformational changes that are more related to leadership. Transformational changes provide an organization to develop and implement major (revolutionary) programs and implement those programs, responding to new requirements. Transitional changes require you to reach a desired state, unlike the exiting condition, which are episodic and planned changes. Developmental changes raise or correct the existing aspects, improving processes and skills.

About 210 businesses or 52.6% of interviewed businesses apply transition changes during the change process in the company, 21.3% of them use developmental changes, 13.3% of the interviewed businesses apply transformational changes, 12.5% of the businesses interviewed do not apply any type of change.

Table 4. Which kind of changes does your company apply?

	Frequency	Percentage	Valuable percentage	Comitative Percentage
Developmental changes	85	21.3	21.3	21.3
Transitional changes	210	52.6	52.6	73.9
Transformational changes	53	13.3	13.3	87.2
None of these	51	12.8	12.8	100.0
Total	399	100.0	100.0	

Analysis and interpretation of study results related to types of changes

Research findings related to the hypothesis. The following table sets the variables, where as the independent variable is set the type of change and as a dependent variable the success of the changes is set. From the results of the table above, there is a correlation between the two variables, and it is seen that the success of the changes is dependent on the type of change. About 2/4 of the respondents have responded that the changes made to their companies are of a transitional type, less than one quarter of the interviewed businesses have responded that the changes made to the company are developmental changes, 13.3% of respondents have responded that the changes made to the company are of a transformative kind.

Table 5. Types of Changes

			Which kind of changes does your company apply?				Total
			Developmental changes	Transitional changes	Transformat-ional changes	None of these	
Changes made to your company whether they have been successful in increasing revenues, higher organizational performance, sustainable position in the insurance market?.	Many	Nr.	79	196	11	49	335
		% e Totali	19.8%	49.1%	2.8%	12.3%	84.0%
	Somewhat	Nr.	5	13	42	1	61
		% e Totali	1.3%	3.3%	10.5%	0.3%	15.3%
	Slightly	Nr.	1	1	0	1	3
		% e Totali	0.3%	0.3%	0.0%	0.3%	0.8%
Total		Nr.	85	210	53	51	399
		% e Totali	21.3%	52.6%	13.3%	12.8%	100.0%

The Chi-Square test proves that there is strong significant evidence between the type of change and the success of the changes, as the value of the Pearson-Chi-square statistical test is = 194,950, with the degree of freedom 'df' = 6 , $p < 0.000$, and since the eps value is less than 0.05 this analysis confirms the relationship of significance to the variables between them. Research findings show that the transition type of change is most commonly used in businesses in Kosovo.

Table 6. Test 'Chi-Square'

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	194.950[a]	6	.000
Chance ratio	142.966	6	.000
No. of valid cases	399		

a. 4 cells (33.3%) have the expectation of no. less than 5. The minimum of no. expected is .38.

Based on the results of the Chi-Square test, Hypothesis: Transitional changes are more successful than transformational changes, it is RECOGNIZED.

CONCLUSIONS

Study conclusions are given based on the findings of the study. Changes are a continuous process that takes place in any organization and the types of changes are different for each organization. Continued changes in external environments make it necessary to change the organizational structure in the company. Continuous technological changes require professional staff to use the new technology which will help us manage the changes at all stages of the change process, especially in the phase of implementing the changes. During the implementation phase of change, it is very important how to manage the human aspect and how to disseminate staff knowledge to create a strong staff that will respond to rapid changes to suit your market needs. Choosing the appropriate type of change is very important, in terms of efficiency changes. The result of the study show that the transition type of change is mostly applied to businesses in Kosovo followed by developmental changes and to a lesser extent applies the transforming type of change. Transitional changes are changes that seek to achieve a desired and well-known state that is different from the existing situation, and this type of change most businesses in Kosovo see as more suitable for change.

RECOMMENDATIONS

Recommendations are given based on the analysis of the findings and conclusions of the study:

- ➢ Identify the successful factors in the management of changes,
- ➢ Identify the appropriate type of changes to be managed,
- ➢ We recommend the most commonly used transition type of change,
- ➢ Avoid use of the transformative transformation type,
- ➢ Except where radical changes are necessary in the organization,

> ➢ To have free and rapid flow of information within the staff that are part of the change,
> ➢ To train staff specializing in the use of new technologies which assist in managing change at all stages of organizational change.

REFERENCES

ALAS.R. (2007). Reactions to Organizational Change from the Institutional Perspective: The Case of Estonia. Problems and Perspectives in Management / Volume 5, Issue 3, Estonian Business School, Estonia.

ANDERSON. A. (2008). Types of Change in Organizations. Being First Inc, page 1-3

JALAGAT. R. (2015). The Impact of Change and Change Management in Achieving Corporate Goals and Objectives: Organizational Perspective. International Journal of Science and Research (IJSR) page 1233-1239

ARMSTRONG. M. (2009). Armstrong's Handbook of Management and leadership. Second edition, Kogan Page Limited.

LUECKE. R., AND BEER. M. (2003). Managing Change and Transition. Harvard Business School Press, Boston, Massachusetts.

ILES. V., AND SUTHERLAND. K. (2011). Organisational Change. A review for health care managers, professionals and researchers, London,

TRIPON. C., AND DODU. M. (2011). Change management and organization development.

NADIER. D., AND TUSHMAN. M. (1989). Organizational Frame Bending: Principles for Managing Reorientation. The Academy ol Mmingement, Vol. III. No. J, pp. 194-2

ELIZABETH VIKTORSSON. M. (2014). Why change implementation failed in a continuously changing organization. A case study of a governmental organization. Second Level, Stockholm, Sweden Kth royal institute of technology industrial engineering and management.

KOTTER, J.P. (1995), "Leading change: Why transformation efforts fail", Harvard Business Review, Vol. 73 No. 2, pp. 59-67.

LORENZI., N.M. AND RILEY., R.T. (2000). Managing Change. J Am Med Inform Assoc, 7(2), 116-124

CHEW, Y. T. AND CHOO, S. M. (2008). A Study of the Change Management and Challenges in a Bank, Research and Practice in Human Resource Management, 16(2), 100-118.

HAMMER, M. AND STANTON, S. (1995), The Reengineering Revolution, Harper Collins, New York, NY.

LAW, C.C.H. AND NGAI, E.W.T. (2007), "ERP systems adoption: an exploratory study of the organizational factors and impacts of ERP success", Information & Management, Vol. 44 No. 4, pp. 418-432.

ANDREU, R., RICART, J. AND VALOR, J. (1997), "Process innovation: changing boxes or revolutionizing organizations?", Knowledge and Process Management, Vol. 4 No. 2, pp. 114-125.

HARMON, P. (2007), Business Process Change: A Guide for Business Managers and BPM and Six Sigma Professionals, 2nd ed., Morgan Kaufmann Publishers, Burlington, MA.

JÄÄSKELÄINEN, A., & SILLANPÄÄ, V. (2013). Overcoming challenges in the implementation of performance measurement. The International Journal of Public Sector Management, 26(6), 440-454

HORNSTEIN, H. A. (2014). The integration of project management and organizational change management is now a necessity. International Journal of Project Management.