

# Organizational Change Dynamics: A Learning Organization Process toward World Class Organization

A Study at a Private University

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**Abstract**—Change is essential for every organization to survive and grow through environmental changes. Having the strong urgency does not make the organizational change management easy. The purpose of this study was to describe the learning organization process of a private university towards “A World Class University”. The study also identified how the organization faced the challenges during organizational changes and how the leaders handled them. The study used qualitative inquiry and phenomenology design to understand the natural phenomenon. The data was collected from interviews, observation, and documentation. The interview involved 11 subjects with different roles and positions. The study found that the organizational change dynamics happened in five phases: drive-forces, goals, challenges, strategies, and results. Based on Lewin’s three-step change model, the organizational change is on “movement” because it is still going on and the culture has not transformed.

**Keyword**—Organizational Behavior, Change Management, Learning Organization, Leadership

## I. INTRODUCTION

Z-University is a merger result of four higher education institutions under a foundation owned by a private company in Bandung, named A-School, B-School, C-School, and D-School. Z-University was officially launched in August 2013 by the Foundation. Thus, the formers become an organization Z-University, which has a vision to be “A World Class University”.

The background of the organizational change was based on the interview result with Mr. J as former Chairman of Transformation Team II on December 13, 2013 at his office. The results were as follows: supporting government’s economic development programs (MP3EI) in human resource area, increasing effectivity and efficiency of resource management, and increasing organizational competitiveness through global competition. The strong urgency and certain goals didn’t make the organizational change easily Mr. J said that there were sectorial egos from the academic community

as dominant resistance to change. Mr. K as ex. Chairman of Transformation Team I, in a mass media publication, said that there were some pros and cons as the reaction to the organizational change from the organization’s members.

Conducting organizational change is never easy, there will always be resistance to change that can impede the organizational change and become an obstacle to the organization to reach the goals of change itself. But, “Change or Die” is a challenge to leaders and managers today. Organization needs to adapt to keep alive and grow well facing the environmental change dynamics. [1]

Leaders play a big role in the organizational change to establish the organization’s success story. Seven leaders’ basic roles in merger (as a kind of the organizational change) are: formulating vision and strategic plan, building effective communication, building positive organizational culture, keeping the fairness, negotiating and handling conflict effectively, solving problem and making decision, managing change and uncertainty. [2]

In leadership theory, the main actors of the organizational change is the leaders. Meanwhile, the organization consists of not only the leaders, but also other members who determine the organization’s performances, including the success of organizational change. It is just not possible any longer to “figure it out” from the top, and has everyone else following the orders of the “grand strategist.” The organization which has member’s commitment and capacity to learn is called learning organization. The ability to learn faster than the competitors may be the only sustainable competitive advantage, as the world becomes more interconnected and business becomes more complex and dynamic. Learning organization is not the nature of every organization, but it can be learned and built. [3]

Since the merger of four big organizations become a bigger one is a great phenomenon, the study about it has to be conducted. It takes the phenomenon as the study’s topic, and Z-University as the study’s object. Hence, eleven (11) persons

with different roles in changes and various positions in the organizational membership as study's subjects.

The study is aimed to understand the organizational change management as a learning organization process in Z-University derived from the merger of A-School, B-School, C-School, and D-School. Moreover, the study is aimed to understand not only the challenges faced by the organization but also the way of the leaders to handle the challenges. Thus, the study can be a consideration for organizational change practitioners who want to build learning organization, be a reference for the readers and the next researchers, and be part of Z-University's life story.

## II. THEORETICAL FRAMEWORK

The study used some theoretical framework which consisted of: organizational behavior, change management, learning organization, and leadership.

Organizational behavior is a field of study that investigates the impact that individuals, groups, and structure have on a behavior that within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness. Organizations face many challenges and opportunities in organizational behavior, some of them are: responding to globalization, managing workforce diversity, improving quality and productivity, improving customer service, improving people skills, stimulating innovation and change, coping the temporariness, working in networked organizations, helping in employees balance work-life conflicts, creating a positive workforce, and improving ethical behavior. [1].

There is no organization in a particularly stable environment, so that organizational change becomes a must-to-do to face the environmental change dynamics. There are a lot of forces in organization environment stimulating for organizational change, six specific of them are: nature of the work, technology, economic shocks, competition, social trends, world politics.[1].

Organizational change never came easy; resistances to change exist even if the organization has a strong urgency to change. The resistance to change has both positive and negative impact for the organization. It does not only provide a degree of stability and predictability to behavior in positive way, but also hinders adaptation and progress of the organization. The resistance comes from the organizational members and organization. Individual sources consisted of habit, security, economic factors, fear of the unknown, and selective information processing. Organizational sources consisted of structural inertia, limited focus of change, group inertia, threat to expertise, threat to established power relationship, threat to established resource allocation. [1].

Whitaker [5] concluded from her study that in US 60 % of merger cases (as one kind of organizational change) experienced the failure in fulfilling the financial expectation, because of the lack of top level managers' concern to the organizational culture, both former organizations and the new organizational culture desired.

Seven suggested tactics for change agent in dealing with resistance of change are by: education and communication, participation, building support and commitment, implementing changes fairly, manipulation and cooptation, selecting people who accept change, and coercion. Hence, change agent can be described as persons who act as catalyst and assume the responsibility for managing change activities. [1].

There are many approaches to manage organizational change. Kurt Lewin in Robbins & Judge [1] argued that successful organizational change should follow three steps: unfreezing the status quo, movement to desired end state, and refreezing the new change to make it permanent, as seen in fig.1.

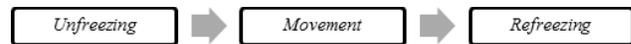


Fig. 1. Lewin's Three-Step Change Model

John Kotter in Robbins & Judge [1] built on Lewin's three-step model to create a more detailed approach in Kotter's eight-step plan for implementing changes with eight sequential steps: establish the sense of urgency, form a coalition with enough power to lead the change, create a new vision to direct the change and strategies for achieving the vision, communicate the vision throughout the organization, empower others to act on the vision by removing barriers to change and encourage risk taking and creative problem solving, create short-term wins that move the organization toward the new vision, consolidate improvement and make necessary adjustments in the new programs, reinforce the changes by demonstrating the relationship between new behavior and organizational success.

Tyagi quoted in Wibowo [4] developed a change model adopted from Lewin's three-step change model, which started from: change forces, problem identification, problem solving process, change implementation, measure-evaluate-control change results. Transition management should be held in the change implementation phase, hence change agents play the role as the doers of the change, as seen in fig.2.

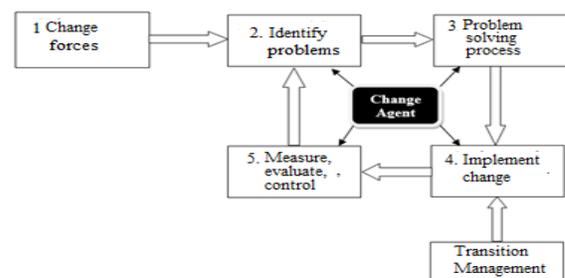


Fig. 2. Tyagi's Change Model

Armstrong [2] in his study found that leaders played a big role in the organizational change to establish the organization's success story. The organizational change success was examined from financial condition as long as the change process. Seven leaders' basic roles in merger, as a kind

of the organizational change, are: formulating vision and strategic plan, building effective communication, building positive organizational culture, keeping the fairness, negotiating and handling conflict effectively, solving problem and making decision, managing change and uncertainty.

Leadership is defined as the ability to influence a group toward the achievement of a vision or set of goals. Leadership and management are two terms that are often confused, management coping with the complexity and leadership is about coping with change, but organizations need both strong leaders and strong management for optimal effectiveness. In today's dynamic world, the organizations need leaders to challenge the status quo, to create visions of the future, and to inspire organizational members to want to achieve the visions. The organization also needs managers to formulate detailed plans, create efficient organizational structures, and oversee day-to-day operations. [1]

Robbins & Judge [1] stated that "A learning organization is an organization that has developed the continuous capacity to adapt and change. Just as individuals learn, so too do organizations." Senge [3] stated that "Learning organizations is organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together."

Robbins & Judge [1] summarized five basic characteristics of a learning organization, these were: people put aside their old way thinking, learn to be opened with each other, understand how their organization really works, form a plan or vision that everyone can agree on, and then work together to achieve that vision. Three fundamental problems inherent in traditional organizations were fragmentation, competition, and reactivity.

Senge [3] explained the way building the learning organization that was consisted of five disciplines: personal mastery, mental models, shared vision, team learning, and system thinking as the fifth disciplines to integrate and to fuse five of them into a coherent body of theory and practice.

Personal mastery could be explained as the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively. Thus people with a high level of personal mastery committed to their own lifelong learning, so that personal mastery rolled as the learning organization's spiritual foundation. [3]

Mental models could be explained as deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action. The discipline of working with mental models should be started with turning the mirror inward; learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny. It included the ability to carry on "learningful" conversations that balance inquiry and advocacy, where people expose their own thinking effectively and make that thinking open to the influence of others. [3]

Building shared vision could be explained as managing all organization to bind people around a common identity and sense of destiny. Genuine vision would inspire the people to excel and learn, not because they were told to, but because they wanted to. [3]

Team learning would start with "dialogue," the capacity of members of a team to suspend assumptions and enter into a genuine "thinking together." Team learning would be vital because teams, not individuals, has been the fundamental learning unit in modern organizations. [3]

System thinking could be explained as a conceptual framework a body of knowledge and tools developed over the past fifty years, to make the full patterns clearer, and to help us see how to change them effectively. [3]

Robbins & Judge [1] suggested how to make the organization to be a continual learner, they were: establish strategy, redesign the organization's structure, and reshape the organization's culture. Since organizational culture has become a basic challenge to change, organizational change should be followed by developing adaptive organizational culture and culture to change like stimulating a culture of innovation and creating a learning organization.

Cullen et.al. [7] found that organization's leaders had a significant role in the organizational change as a mediator of the relationship between employees' adaptability and perceptions of change, related uncertainty and employees' satisfaction and performance. In a successful organizational change case, the leaders tended to share a positive energy and build effective communication to all organizational members, so that the organization's members had a good perception on the change and adapted well to the change, and thus the organization's member satisfaction and performance were improved. Therefore, the organizational change ran successfully.

Nordin [8] who conducted a study in a higher learning institution found that there was a significant relationship between organizational commitment and leadership behavior on organizational readiness for change. Organizational change would be possible when the employees identified themselves with the organization. Organizational commitment will be beneficial to transactional leadership behavior during the early stage of change process, and thus may have a significant potential as change management strategy to implement successful change. The study also shows that continuance commitment indicates statistically significant moderate effect on the relationship between transactional leadership behaviors and readiness for change. Therefore, this implies that employee would be committed only if they find that leaving the organization would be a great loss, as they have invested their effort in the organization. In this sense, human resources management should also consider designing attractive rewards and benefits to ensure employee loyalty to the organization. However, further studies on longitudinal research methodology, which may be useful to validate the framework for organizational change, are suggested.

Weiner's [9] study showed organizational readiness as a shared psychological state in which organizational members

felt being committed to the implementation of an organizational change and confident in their collective abilities to do so. He suggested the possibility that the strategies that change management experts recommend are equifinal which meant there is no 'one best way' to increase organizational readiness for change, but interrelated cumulative organizational behavior.

Madenø [10] study developed a conceptual model to transform public organization to be a learning organization. These organizations were primarily advised to develop a learning climate through the creation of a favorable atmosphere for individual and collective learning; and subsequently invest in organizational learning through higher knowledge creation and better knowledge management processes. It was believed that by examining the learning organization concept under the context of public organizations and proposing a novel model of transformation. The model was as seen in fig. 3.

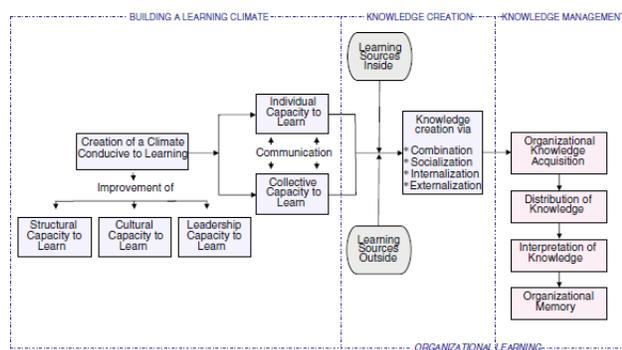


Fig. 3. Conceptual Model to Transform Public Organization to be a Learning Organizations

### III. METHODOLOGY

The study used qualitative approaches because of series of reasons. Creswell [6] said that qualitative study interpreted the philosophical assumption from the researchers. Philosophy meant the usage of abstract idea and belief about the study, hence philosophical assumption was the first pop-up idea to develop the research. The philosophical assumption was important to help the researchers to formulate the study's problems and questions. The study collected data that consisted of words and figures, not numbers. The data were collected from interview verbatim, videotape recording result, observation notes, official documents, mass media publication, and others. The data analysis was presented by the meaning of the data.

The study used phenomenology research design to identify the understanding of the phenomenon from multiple subjects' experience. Creswell [6] said that phenomenology research design tend to focus on the common data collected, among others. Phenomenology had a goal to take the insight from the multiple subjects' experiences. The researchers analyzed the multiple subjects' experience, developed relations and pattern from them, and then presented the model to answer 'what' and 'how' they experienced the phenomenon.

The study wanted to understand the organizational change dynamics in a private university named Z-University that was seen by related parties in the process; they were: responsible parties in the organizational change to see what they had done to conduct the change, the parties who understood the technical process of the change, academic community as both the subject and the object of the change. Thus, the phenomenology research design was the most compatible for conducting the study.

The study had some steps, which were: orientation, preparation to field research, field research, data analysis, data interpretation. At the orientation stage, the researchers started to observe the object but not intensely. At the preparation stage, the researchers prepared all the things needed to do field research (i.e. proposed the counselor lecturers, wrote application letters as the permission to conduct the study and to collect the data) and also started to collect secondary data from mass media publication, official and non-official websites, official documents, etc. At the field research stage, the researchers collected both secondary data and primary data. On data analysis stage, the researchers analyzed collected data (primary and secondary data), the primary data collection had been stopped but secondary data collection still went on until the end of the study period. At the data interpretation stage, the researchers compared the data analysis result and theoretical reference with previous studies.

The study's object was Z-University and the subjects were 11 persons with different roles and positions, consisted of: 2 representatives of the Foundation, ex. chairman of transformation task forces, senior manager of resource, 4 leaders of four faculties, other academic community members (a structural officer, a lecture, and a student). The data were collected by triangulation technique that combined observation, in-depth interview, and documents. Triangulation technique helped the researchers to keep the objectivity of conducting the study.

### IV. RESULT AND DISCUSSION

#### A. Result

The study's result came from data analysis collected from observation, documentation, and interview with 11 subjects. The subjects consisted of: Mr. J as ex. Chairman of Transformation Team II; Mr. K as ex. Chairman of Transformation Team I and also Dean of A-Faculty; Mr. L as Dean of B-Faculty; Mr. M as the representative from C-Faculty leader and also a structural officer; Mr. N as ex. Chairman of Foundation's Strategic Alliance Directorate and also Dean of D-faculty; Mr. O as Senior Manager of Resources; Mr. P as Structural Officers; Ms. Q as a lecturer; Mr. R as a Foundation's representative; Mr. S as another Foundation's representative; and Ms. U as a student.

The result would be presented in five phases of the organizational change sequentially as followed: the organizational change drive-forces; the organizational change goals; the organizational change challenges; the organizational change strategies; and the organizational change results.

### 1) The Organizational Change Drive-Forces

Z-University was a merger result from four higher educational institutions under a foundation: A-School, B-School, C-School, and D-School, said Mr. J as ex-Chairman of Transformation Team II. From Decision Letter from Education Ministry, it was known that after Z-University official launch, A-School became A-Faculty, B-School became B-Faculty, C-School became C-Faculty, and D-School became D-Faculty in Z-University.

The organizational change was driven by external and internal factors, Mr. J explained three of them: management of four schools under a foundation, the challenge of global competition, and the opportunity to play a bigger role in government's economic development program (MP3EI). Mr. S as the Foundation's representative explained that organizational change was driven by two internal factors, the existence of a shared vision to be "A World Class University" and the management of four schools under a foundation in a region that might allow for efficiency upgrading.

The researchers, based on the explanation above, concluded that the transformational change from A-School, B-School, C-School, and D-School to be Z-University was driven by several internal and external factors, the internal factors consisted of the existence of a shared vision to be "A World Class University"; and management of four schools under a foundation in a region, hence the external factors consisted of the challenge of global competition and the opportunity to play a bigger role in government's economic development program (MP3EI), as seen in fig.4.

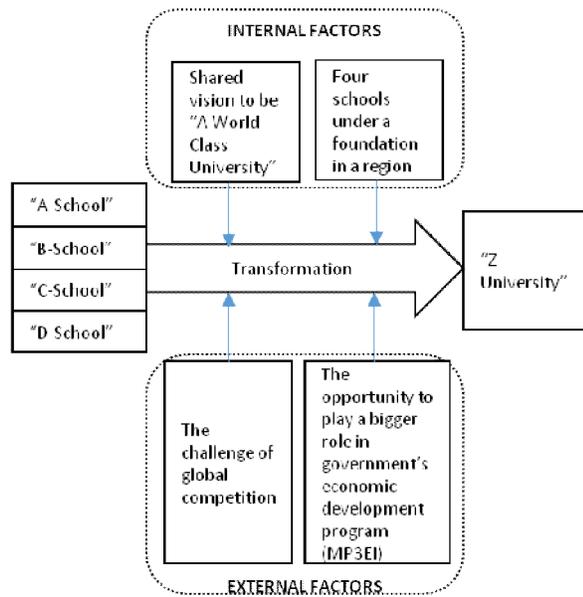


Fig. 4. Organizational Change Drive-Forces based on Data Analysis

### 2) The Organizational Change Goals

Mr. J as ex. Chairman of Transformation Team II said that organizational changes of four large higher education institutions to be a larger one was an effort to achieve the shared vision of becoming "A World Class University" by

gathering the power of the former-four. Resemble clarification was stated by senior manager of resources, who said that Z-University transformation was a decision to gather the strength to achieve common vision and mission.

Mr. J said that transformation of Z-University was a kind of reaction from the foundation to face the environmental changes, both internally and externally which were explained in the previous sub-section, so the goals of the organizational change were to play a bigger role in government's economic development program (MP3EI) by increasing contributions in human resources quality improvement, improving the organizational international competitiveness (including to enlarge the change to get research grants), and improving organizational effectiveness and efficiency.

The researchers, based on previous description, concluded that the organizational change had some goals: to gather the strength to achieve the prime desire of becoming "A World Class University"; to improve the organization's effectiveness & efficiency; to improve organization's global competitiveness, and to play role on human resources development in government's economic development program (MP3EI), as seen in fig.5.

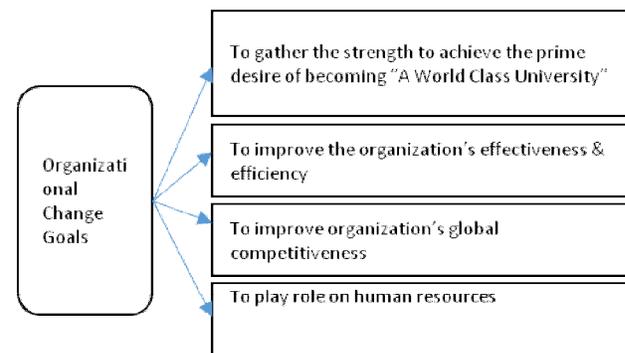


Fig. 5. Organizational Change Goals based on Data Analysis

### 3) The Organizational Change Challenges

The organizational change process experienced some challenges faced by academic community. Mr. J as ex-Chairman of Transformation Team II said that the biggest challenge of the mergers was the sectorial egos from several groups in the organization, a kind of superiority among others.

Mr. O as Senior Manager of Resource explained that various organizational working systems and mechanisms in the former organizations was a challenge to merger processes, meanwhile the biggest challenge for the organizational change was the culture. Moreover, the former organizations had a different culture that had been attached for long. Organizational culture became a big challenge in the organizational change because it was formed from specific habits pattern in various organizational aspects. The organizational change, which was followed by organizational restructuring, caused position and authority changing issues, not only on the leaders of former-four but also on the other organizational members.

Mr. M as the representative of C-Faculty leader explained that the new organizational structure drove to a *ōculture shockō* condition to the organizational members because of rapid changes. The first Rector of Z-University who came from the outside of the Foundation said that a new formation on organizational structure drove communication challenge to the academic community, sometimes miscommunication and multi-perceptions could lead to misunderstanding and confusion of provided information. The organizational change also disturbed the comfort zone of many organizational parties. It demanded for adaptation both systematically from organizational leaders and individually from the other members for the new system made by the leaders. The organizational change demanded the organizational members to improve the competencies and capabilities such as English competencies, but sometimes the organizational members who felt under pressure experienced working spirit loss or reduced performance.

Mr. P as a structural officers said that having new organizational structure and new formation in units led to knowledge sharing, a structural officer said that the knowledge sharing occurred naturally in the way they worked but another structural officer said that it had not enough yet .

Ms. Q as a functional officer (lecturer) had not felt much of the organizational change impact because only a few policies for lecturers had been applied effectively at the end of February 2014. There was a new funding policy for lecturer's research publication that only covered registration fee. The lecturer gave some advices in organizational change implementation to the top level managers, they were: to make governance or governance guidelines, so the organizational members have certain guidelines to do to face the organizational change; to improve communication quality so the information could be effectively received as it is presented; and to prepare information system capacity appropriate to entire academic community usage.

Ms. U as a student said that she felt the decline in several areas' quality of service, such as the financial system on the registration process and academic secretariat facilities. Students were confused about academic regulations due to the rapid changes, hence the socializations had not been intense and effective enough. Some students' confusions happened on the regulations of internship, final assignment, and academic calendar. Student organizations were changed structurally, consisted of Student Executive Board (BEM) and the Student Representative Council (DPM) that would exist only at the university-level and faculty-level, the emergence of several Student Association (HIMA), and the merger of the similar Student Activity Unit (UKM) at the university-level. The change of student organization structure was followed by the change of budgeting policies for student activities as a whole. Before Z-University Grand Launching, the student activity fund was given to each of former-four, hence it was centralized in the university-level. It would be a huge task to share it fairly to all parties.

The researchers, based on subjects' explanation above, concluded that the organizational change process experienced many challenges faced by the academic community as seen in

Fig.6. Structural officials and employees faced: sectorial egos of academic community; former systems & working mechanisms incompatibility; position and authority worries; culture shock; communication ineffectiveness & inefficiency; lack of knowledge sharing; comfort zone; demand on individual capability improvement. Functional officers or lecturers faced research publication budget decreased; obscurity on governance or governance; communication ineffectiveness & inefficiency. Students faced: obscurity on academic regulations (internship, final assignment, and the academic calendar); change in students' organization; change in students' activity budgeting.

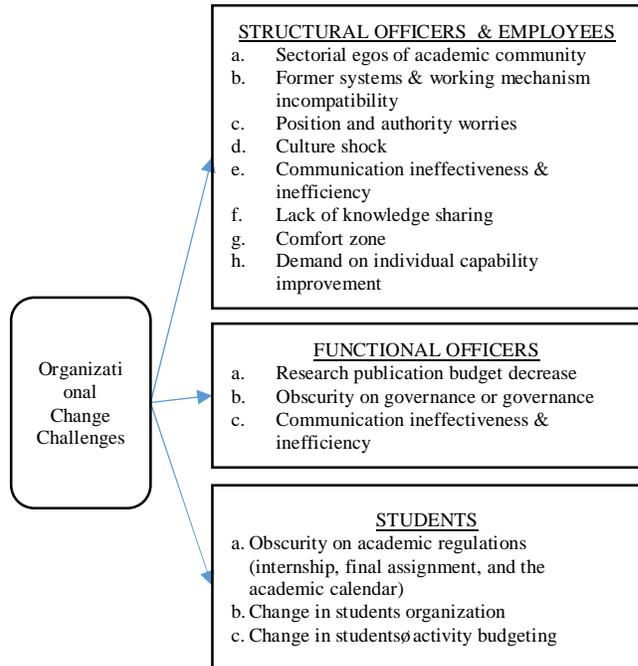


Fig. 6. Organizational Change Challenges based on Data Analysis

#### 4) The Organizational Change Strategies

Mr. R, as a Foundation's representative said that the Foundation established three task forces to handle the change execution; they were: Strategic Alliance Directorate, Transformation Team I, and Transformation Team II. Strategic Alliance Directorate conducted study of initial organizational condition, made a conceptual model of organizational change, and focused to complete the academic document as the application of inauguration. Transformation Team I began the implementation of the organizational change and improved the academic documents. Transformation Team II accelerated the implementation process, integrated the academic system, and established the transition senate.

Mr. S, as another Foundation's representative said that organization's fundamental aspect of Z-University's vision, missions, and goals had been set by the task forces before the grand launching was hold.

Mr. O, as Senior Manager of Resource in Z-University had an organizational structure which was different from the

organizational structures of the other four former organizations. It also had new governance which was centralized in the university-level working unit. New personnel formation that could trigger gaps was anticipated by organizing a team building activity to create solidity in the working unit and in the organization as a whole.

Mr. S, as a Foundation representative said that the leaders of Z-University composed an organizational strategic plan systematically.

After organization vision, missions, goals, and strategies were set, the leaders built the communication in the organization. Communication building needed openness and positive thinking from all organization's members. The leaders built a two-way communication; the leaders not only gave top-down information but also accepted feedbacks from the other organization's members. Formal communication was built by series of meetings (at foundation-university-faculty-study program level), centralized lecturer's meetings, official websites, etc. Informal communication was built by sport activities, lunch coupons, family gatherings, etc. said Mr. M as the representative of C-Faculty leaders.

Mr. J said that at the end of his term period, his team suggested to establish a transitional period for about a year after the Z-University official launching. The transition period was used to continue the organizational change process which had not been done by the team. Transition period was applied to accommodate the interests of many parties in the organization, and it was used as an adaptation period for all members on the changes. A lot of things had been done during the transition period; some of which are: refinement of organizational structure and governance, rearrangement and expansion of faculty program, the election of the new Dean for seven faculties, integration of all aspects of the organization, and the building of organizational culture.

Mr. O, as Senior Manager of Resource said that after Z-University officially launched, they established Change Management Team which was a group leader, tasked to oversee changes to achieve organizational goals in 2017 and to oversee all management aspects such as finance, human resources, logistics, etc.

Mr. O said that the organizational culture, as one of common issue key factors in the merger, was transformed slowly by Z-University. The culture should be the same as the academic atmosphere in university environment. It was adopted by the culture from owner organization. Z-University had series of core values as a compassion for organizational behavior.

The researchers, based on the subjects' explanation above, concluded that Z-University had some strategies to organizational change process, ten of them were: establishing task forces; setting organizational visions, missions, and goals; establishing organizational structure and governance; organizing team building activity; composing strategic plan, managerial & budget plan, quick win and individual performance systematically; establishing multi ways communication; transition period; integrating all

organizational aspect; establishing change management team; transforming organizational culture slowly, as seen in fig.7.

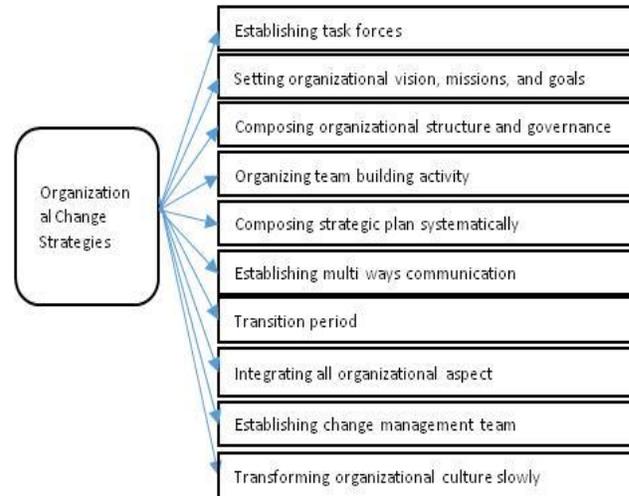


Fig. 7. Organizational Change Strategies based on Data Analysis

### 5) The Organizational Change Results

The change could be noticed by the difference between the input and the output. Organizational change results did not show the end of change, but described the final condition at the end of primary data collection period (March 13, 2014). There were some results of organizational change: visions, missions, and goals of the organization had been set by the task forces, hence the strategic plan had been composed by leaders of Z-University.

Mr. L, as a Dean in B-School said that Z-University had an organizational structure and governance that had been used since the organizational grand launching. Mr. P, as a structural officer, said that the working units in university-level were established directly under each of Vice Rectors and the formation consisted of the combination of former organizations' personnel. Mr. M, as another structural officer said that working units in faculty-level still exist as the representative from working units in university-level, so that the working system and mechanism had been centralized and faculties might be focus holding the three-promise of higher education (Tridharma Perguruan Tinggi).

Mr. K said that four former organizations had turned into four faculties in Z-University which had a dean of each. Three of four Deans were the former organizations' chairman, hence the other one was the chairman of Foundation's Strategic Alliances (the first task force). At the end of primary data collection period, Z-University was conducting the election of new Dean of seven faculties which was planned to be inaugurated in April 2014.

Ms. U, as a student said that student organization had a new structure, the Student Executive Board (BEM) and the Student Representative Council (DPM) that would be exist at the university-level and faculty-level, the emergence of

Student Association (HIMA), hence the Student Activity Unit (UKM) were merged at the university-level.

Some faculty leaders said that six months after grand launching, organizational culture had not been established. They said that top level manager did not focus on culture formation, but they focused on the restructuring and new governance establishment. They said that that organizational culture of Z-University would be formed naturally through provided facilities. Z-University held many activities supporting to natural interaction among organizational members. The acculturation happened slowly after the grand launching.

The researchers, based on the subjectsø explained above, concluded that until the end of primary data collection period on March 13, 2014, the organizational change had some results, they were: organizational vision, missions, goals, and strategic plan; organizational structure and governance; centralized & integrated systems & working mechanism; new academic regulations; four faculties and the Dean for each; new students organization structure; the organization was conducting the election for seven new faculty Deans; the organization was rearranging new organizational structure & governance; the organizational culture had not been transformed clearly, as seen in fig.8.

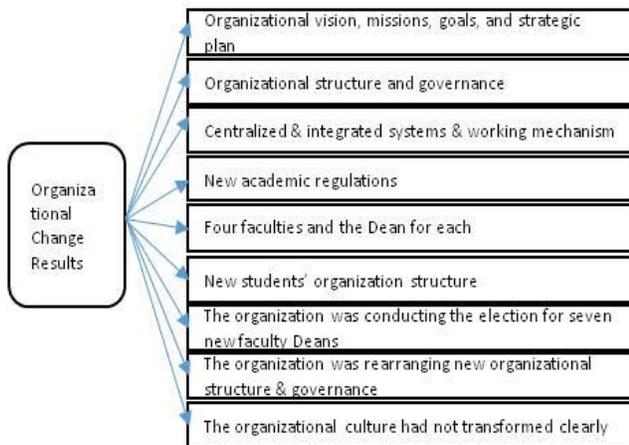


Fig. 8. Organizational Change Results based on Data Analysis

The researchers, based on the data analysis, concluded that the organizational change of A-School, B-School, C-School, and D-School to be Z-University (from initiation of change in March 13, 2014) could be described by the organizational change dynamics, as followed: organizational change of drive-forces; organizational change of goals; organizational change of challenges; organizational change of strategies; and organizational change of result, as seen in fig.9.

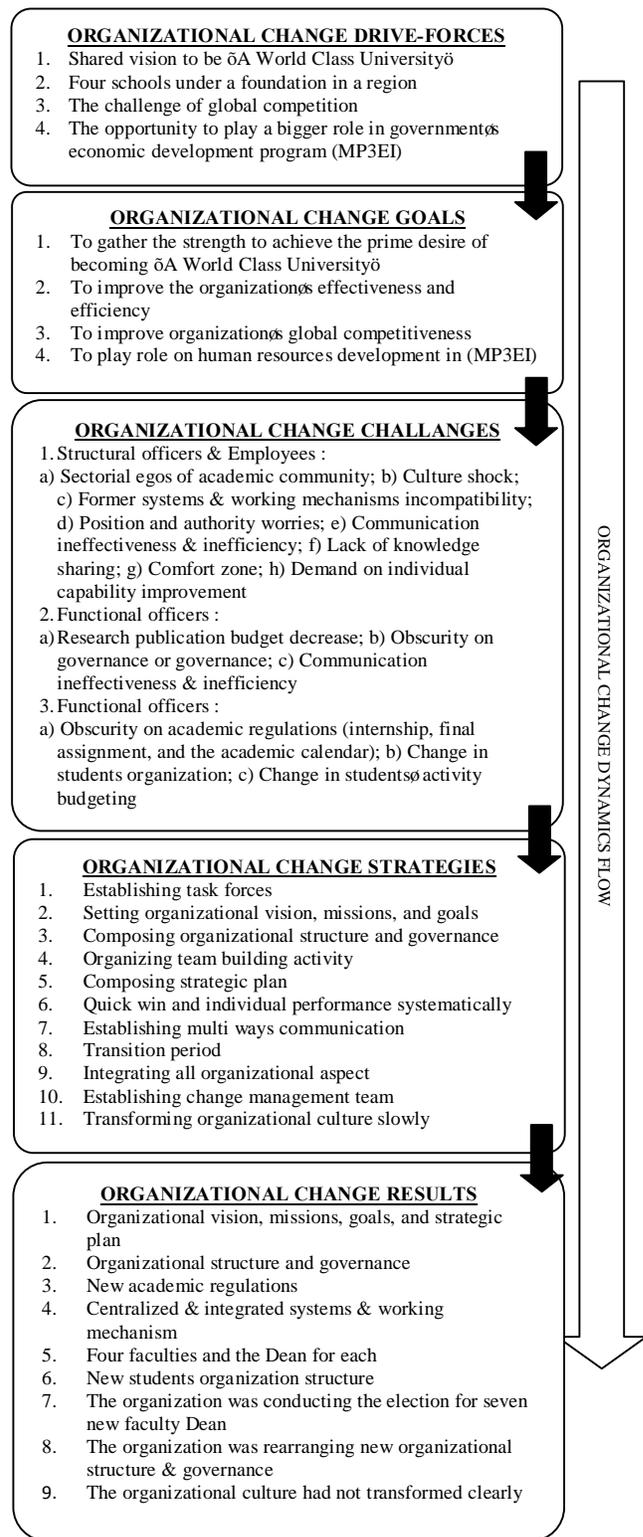


Fig. 9. Organizational Change Dynamics based on Data Analysis

## B. Discussion

Organizational change of drive-forces in A-School, B-School, C-School, and D-School to be Z-University, based on data analysis, came from both external and internal factors. The external factors consisted of the challenge of global competition and the opportunity to play a bigger role in government's economic development program (MP3EI), while the internal factors consist of the existence of a shared vision to be "A World Class University" and the ownership of four schools under a foundation in a region.

The rising global competition is still a strong force for the organization to conduct the organizational change, as Robbins & Judge [1]. Global competition cannot be avoided as a change drive-force when the organization has a desire to compete globally, like Z-University which aimed to be "A World Class University".

Four former organizations react to four main organizational drive-forces in the form of the decision to merge into one bigger organization. The decision came because of the urgency to change, which means the worries of organization's life facing the organizational change dynamics. This is like Robbins & Judge [1] theory that said, leaders and managers today are challenged by "Change or Die!" by the environment.

Organizational change decision as a product of the merger of the four has the same goals consisting of: to gather the strength to achieve the prime desire of becoming "A World Class University"; to improve the organization's effectiveness and efficiency; to improve global competitiveness, to play a role in the human resources development in MP3EI.

Just like another merger case, Z-University transformation aimed to optimize resource effectiveness and efficiency from former organizations. But unfortunately, 60 % of the merger case (as one kind of organizational change) failed to reach the change goals because of the lack of top level managers' concern to the organizational culture, as Whitaker [4] explained in her study result. Even if A-School, B-School, C-School, and D-School are owned by a foundation and frequently organized official meetings, four of them had different backgrounds, different behaviors, different leaders, and different cultures. The biggest challenge faced by the task force of change was the sectorial egos from the organization's members.

Facing the challenges to change, the organization practices some strategies; there are ten of them based on the data analysis: establishing task forces; setting organizational visions, missions, and goals; establishing organizational structure and governance; organizing team building activity; composing strategic plan, managerial & budget plan, quick win and systematic individual performance; establishing multi-way communications; transition period; integrating all organizational aspects; establishing change management team; transforming organizational culture slowly.

Based on Tyagi's Change Model quoted in Wibowo [4] or fig. 2, shows that three task forces before official grand launching act as change agents in the organizational change. The first task force "Foundation's Strategic Alliance

Directorate was used to identify problems as they made organizational change concept and plans, they solved the problems at top level managers in four former organizations as they worked until the declaration of merger agreement. The second task force "Transformation Team I" started to implement the organizational concept and plans, but they faced a lot of problems from the lower level managers and another academic community. The third task force "Transformation Team II" continued and accelerated the implementation process but they still faced the problems from the academic community.

The official launching had been organized on August 2013, and the three task forces had finished their term, but the implementation of the organizational change had not been done yet. As the data analysis result said that Z-University established a transition period for about a year after the official launching. Based on Tyagi's Change Model quoted in Wibowo [4] or Fig. 2, the transition management is part of the implementation process. It means that Z-University is at the Change Implementation Stage.

The organizational change at the end of the data collection period in March 2013. Based on the data analysis, it had some results. They were: organizational vision, missions, goals, and strategic plan; organizational structure and governance; new academic regulations; centralized & integrated systems & working mechanism; our faculties and the Dean for each; new students organization structure; the organization was conducting the election for seven new faculty Dean; the organization was rearranging new organizational structure & governance; the organizational culture had not transformed clearly.

Based on Lewin's three-step change model in Robbins & Judge [1] or Fig. 1, the organizational change was on the movement step, because there were still changes organized and the culture had not been transformed.

Communication is the most vital in the organizational change period; effective communication will influence the perception of the organizational members about the positive impact of change. An effective communication is the mediator of conflicts of interest in the organization. This is the same as what Cullen et.al. [7] state that leaders have to build an effective communication between all organization's members, so that the organization's has a good perception about the change and adapt well to the change, and thus the organization's members have a good satisfaction and performance, which will make the organizational change run successfully. A good perception of change in the organizational change will create readiness to change and an adaptability of the organization's members.

Z-University created readiness to change step-by-step top down, because in leadership theory, a leader is a key person that plays a big role in the organizational change. As Armstrong [2] said that leaders played a big role in the organizational change to establish the organization's success story. The organizational change success was examined from its financial condition during the change process. Seven leaders' basic roles in merger, as a kind of the organizational change, were: formulating vision and strategic plan, building

effective communications, building positive organizational culture, keeping the fairness, negotiating and handling conflict effectively, solving problem and making decision, managing change and uncertainty.

The leaders have the capacity to create a condition of ready to change from all organization's aspects, the leaders need to build the commitment from the organization's members, so they have confidence in their collective ability to face the change, as Weiner [9] had explained before.

#### V. CONCLUSION AND RECOMMENDATION

The study was aimed to describe the organizational change dynamics in Z-University, the challenges they faced and the way the leaders handle them. Organizational change dynamics of Z-University happened in five phases: drive-forces, goals, challenges, strategies, and results.

Organizational change drive-forces, based on data analysis, came from both external and internal factors, external factors consisted of the challenge of global competition and the opportunity to play a bigger role in government's economic development program (MP3EI), hence the internal factors consisted of the existence of shared vision to be "A World Class University" and the ownership of four schools under a foundation in a region.

Organizational change, based on data analysis, had some goals: to gather the strength to achieve the prime desire of becoming "A World Class University"; to improve the organization's effectiveness & efficiency; to improve organization's global competitiveness, and to play role on human resources development in government's economic development program (MP3EI).

Challenges faced by the organization, based on the data analysis, came from many challenges which were faced by the academic community. Structural officials and employees faced: sectorial egos of academic community; former systems & working mechanisms incompatibility; position and authority worries; culture shock; communication ineffectiveness & inefficiency; lack of knowledge sharing; comfort zone; demand on individual capability improvement. Functional officers or lecturers faced research publication budget decrease; obscurity on governance or governance; communication ineffectiveness & inefficiency. Students faced: obscurity on academic regulations (internship, final assignment, and the academic calendar); change in students' organization; change in students' activity budgeting.

Knowing the urgency to change but facing the challenges to change, inspired the organization's leader to do some change strategies, based on the data analysis, ten of them were: establishing task forces; setting organizational vision, missions, and goals; establishing organizational structure and governance; organizing team building activity; composing strategic plan, managerial & budget plan, quick win and

individual performance systematically; establishing multi ways communication; transition period; integrating all organizational aspect; establishing a change management team; transforming organizational culture slowly.

The organizational change, based on the data analysis, until the end of primary data collection period in March 13, 2014, the organizational change had some results; they were: organizational vision, missions, goals, and strategic plan; organizational structure and governance; centralized & integrated systems & working mechanism; new academic regulations; four faculties and the Dean for each; new students organization structure; the organization was conducting the election for seven new faculty Deans; the organization was rearranging new organizational structure & governance; the organizational culture had not transformed clearly.

The organizational change of Z-University has not completed yet, because at the end of the research period, the change was still going on and the organizational culture had not been transformed clearly. It was in still in the "movement" step based on Lewin's three-step model [1]. That is similar with Kotter's eight steps to change [1] that the organizational change would end with the establishment of the organizational culture.

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