

Organizational Transformation through Change Management and Innovation Synergy: Theoretical and Practical Approaches

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Article Information	Abstract
<p>Article History: Received : - Accepted : - Published: -</p>	<p>This study aims to explain the concept of change management and innovation within the context of increasingly dynamic modern organizations. Change management is a systematic approach designed to handle the process of transitions or transformations that occur within organizations, whether structural, technological, or cultural. On the other hand, innovation involves the development of new and creative ideas that can be implemented to enhance performance, productivity, and create added value for the organization. This research employs a qualitative method with a literature review approach, gathering and analyzing information from various sources relevant to the topics of change management and innovation. The analysis focuses on identifying the symbiotic relationship between the implementation of change management and innovation, and how both influence organizational success in responding to rapid external environmental changes. The results indicate that organizations that effectively implement change management are better equipped to foster internal innovation, ultimately enhancing competitiveness, sustainability, and adaptability to ever-changing market demands. This article provides valuable insights for organizations seeking to strengthen their capacity to manage change and design innovation as a key strategy for long-term growth.</p>
<p>Keywords: Change Management, Innovation, Organization</p>	

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INTRODUCTION

In the era of globalization and increasingly rapid technological developments, organizations are faced with the challenge of adapting to changes that occur both in the internal and external environment. The ability to respond effectively to these changes is a determining factor for an organization's success to survive and compete in a competitive market. In this context, change management and innovation are two important strategies to support organizations in facing today's challenges.

Change management, as expressed by Rangkuti (2013), is a structured approach that helps organizations manage the changes that occur, both from within and outside the organization. This approach includes planning, implementing, and monitoring changes to have a positive impact on the achievement of organizational goals and create an environment conducive to effective adaptation. Siagian (2016) also emphasizes that change management requires strong leadership as well as attention to the human aspect, as resistance to change often arises from within the organization itself. On the other hand, as the complexity of the business environment increases, organizations also need to manage innovation well to remain relevant and competitive.

Innovation management, as explained by Agustina (2021) and Kasali (2022), includes a series of strategies to manage the innovation process from the idea stage to implementation. This approach involves creating a culture that supports creativity, cross-functional collaboration, and the application of the latest technologies. Thus, organizations can act not only as followers in market changes, but also as pioneers in creating new solutions that are relevant to consumers. Through the integration of change management and innovation, organizations are able to develop structures, technologies, and cultures that are flexible and ready for change.

However, in its implementation, various challenges often arise, such as resistance to change, lack of leadership support, suboptimal communication, and limited resources. Therefore, it is important for organizations to identify and overcome these inhibiting factors so that the process of change and innovation can run smoothly and sustainably.

This article will take an in-depth look at the current concepts, types, and issues in change and innovation management, as well as strategies to drive innovation within the organization. As such, this article aims to provide a comprehensive understanding of the importance of change and innovation management, as well as practical solutions in the face of challenges that may arise. Through a better understanding of these concepts, it is hoped that organizations can strengthen their competitiveness and create significant added value for all stakeholders

RESEARCH METHOD

This study uses a literature study approach that relies on various theoretical sources, scientific journals, and related articles. The analysis is carried out systematically and in-depth in identifying theories, models, and histories that are relevant to the discussion of contemporary management stream material.

RESULTS AND DISCUSSION

Basic Concepts of Change Management

Definition of Change Management

Freddy Rangkuti (2013) defines change management as a systematic effort to help organizations in dealing with changes that occur in the internal and external environment. According to him, change is inevitable and a good management approach is needed so that organizations can remain competitive in a dynamic market.

Winardi (2015) explained that change management is a planned approach to ensure that changes that occur in the organization can be implemented effectively. Change management, according to him, must pay attention to the human element because resistance to change often comes from within the organization.

Sondang P. Siagian (2016) defines change management as a systematic process to assist organizations in adapting to changes that occur both from outside and within the organization. He also emphasized the importance of strong leadership in managing change effectively, especially in the face of internal resistance.

Wibowo (2017) stated that change management is a managerial process carried out to guide and facilitate the transition from existing situations to new ones. This includes identifying change needs, planning, executing, and ensuring those changes have a positive impact on organizational goals.

From some of the experts' opinions, it can be concluded that change management is a systematic managerial process by identifying the need for change, planning, implementing, and ensuring that these changes have a positive impact on the organization's goals to help the organization adapt to the internal (in-organization) and external (outside organization) environment so that it can always compete in a dynamic market effectively. Change management should emphasize the importance of strong leadership to manage change effectively and pay attention to the human element because resistance to change often comes from within the organization.

Types of Change Management

1. Structural Changes

Changes in organizational structure often occur in response to changes in the external environment or company strategy. Organizational structure is essential in the effectiveness of the success of goals. Because organizational structure determines how an organization operates, manages resources, and achieves its goals. Managers should analyze the reasons why structural changes are necessary. Namely by determining the need for change from external and internal environmental factors, the impact of change, and the expected results in the future.

Managers can also make major changes in the actual structural design. These structural design changes are for example, the shift from functional structures (organizational structures in which people are grouped into their functions) to product structures (organizational structures where people are grouped into the resulting products) or the creation of project structure designs.

2. Technological Changes

Technological change refers to the application of technological updates or improvements in existing technology in the organization. Technological changes can

increase organizational efficiency in completing work and improve service quality. In determining technology changes, managers must identify which areas need improvement, evaluate what technologies are most effective and efficient, communicate and implement those technologies to employees, and ensure sufficient technical support and maintenance for new technologies to continue to function properly.

3. Cultural Change

Culture is defined as a set of essential understandings that are developed, trusted, and applied by a group. In an organization, culture is a system of beliefs and attitudes that develops and is embraced by a group of people in an organization, which distinguishes it from other organizations. So it can be concluded that the cultural change we are referring to here is a process of changing belief systems and attitudes that develop and be embraced by a group of people, especially in the context of organizations.

Organizational culture change is a complex and often challenging process. Therefore, a manager must be able to manage the change in his organizational culture effectively. Managers can do one of the organizational development (OD) methods, which is a term used to describe a method of change that focuses on people and the nature and quality of interpersonal work relationships.

Basic Concepts of Innovation Management

1. Definition of Innovation Management

Rina Agustina (2021) stated that innovation management includes developing effective strategies to deal with market changes. According to him, organizations must be able to adapt quickly to new trends and emerging technologies to remain competitive. He also emphasized the importance of training and human resource development in supporting the innovation process.

Rhenald Kasali (2022) states that innovation management is a process that involves planned changes to create new value. He emphasized the importance of a culture of innovation in the organization so that each individual can contribute with new ideas that improve the company's performance

Rudi Hartono (2023) In his research, Rudi Hartono defines innovation management as an organization's ability to manage the innovation process from the idea stage to implementation. He highlighted the importance of collaboration between departments and stakeholders in creating new products or services that suit market needs.

From some of the opinions of these experts, it can be concluded that innovation management is a process that includes adaptive strategies, human resource development, and cross-functional collaboration to create new value that is relevant to market needs. This concept emphasizes the importance of organizational flexibility in responding to market changes and technological advancements in order to remain competitive, while also building a culture of innovation that allows each individual to contribute through creative ideas. With a structured approach from the idea stage to implementation and cooperation between stakeholders, innovation management is key for organizations to develop superior products and services according to market demand.

2. Types of Innovation

1. **Product Innovation:** These innovations include the development of new products or improvements to existing ones. Examples of product innovations include the launch of new smartphones with more advanced features or the development of new processed foods that have higher nutritional value.
2. **Process Innovation:** Process innovation focuses on improving the way of production or service delivery. This could include the use of new technologies in the manufacturing process or the application of new methods in supply chain management.
3. **Marketing Innovation:** This innovation involves developing new marketing strategies to reach customers in a more effective way. Examples include the use of social media for product marketing or data-driven marketing campaigns.
4. **Organizational Innovation:** Organizational innovation deals with changes in organizational structure, management practices, or internal policies. This could include implementing flexible work models or changes in company culture to encourage creativity and collaboration.
5. **Technological Innovation:** This innovation involves the application of new technologies to improve operational efficiency and effectiveness. Examples include the use of artificial intelligence (AI) in data analysis or the application of the Internet of Things (IoT) in production.
6. **Social Innovation:** Social innovation focuses on developing new solutions to complex social problems, such as innovative educational programs or environmental sustainability initiatives.

Contemporary Issues in Managing Change

1. **Resistance to Change:** This issue is the most common issue because responding to this issue must require good and effective communication of employee involvement in change. Employees must be afraid of resistance if there is uncertainty, loss of job security and some are already comfortable with the old work system. This makes the change process difficult to adapt to and can result in decreased productivity.
2. **Unsupportive Leadership:** When changes begin to be implemented, leaders should be involved in the company to provide support, motivation and encouragement so that the success of a change can be achieved. Organizations are highly dependent on leaders, so if changes are not supported by leaders, then the change can not go smoothly.
3. **Lack of Employee Engagement:** When there is a change in the organization, employees are often not involved, so they feel disappointed and unappreciated. In fact, by involving employees, organizations can get useful input and increase acceptance and support for the changes made, because employees are an important part of the change process.
4. **Ineffective Communication:** This issue can be one of the biggest challenges in the change process. Without effective communication, change can be difficult to move smoothly and consistently, and can lead to misunderstandings among organizational members due to a lack of clarity about the purpose of change. Open, clear, firm, and transparent communication is key for employees to understand the change, thus supporting the success of the change process as a whole.

5. **Insufficient Resources:** Change requires resources such as finance, time, labor, and more in the process of managing it. These resources are critical to the success of change, as without adequate resources, change management can be hampered or even fail.
6. **Poor planning and implementation:** Change without careful planning will lead to confusion and uncertainty. Therefore, changes must be planned with a clear and systematic strategy so that the implementation process can run as planned. Good implementation requires orderly and clear steps to ensure effective planning. If implementation is not done properly, the change plan can be disrupted, which can ultimately lead to failure in achieving the goals of the change.
7. **Unsupportive Organizational Culture:** Organizations or companies that adhere to a rigid traditional culture tend to have difficulty adapting to change. A closed culture often hinders acceptance of updates, making the process of change more challenging. Conversely, an open organizational culture is highly recommended, as it encourages continuous learning, innovation, and flexibility, all of which support the company's success in meeting the challenges of change.

Managing Resistance to Change

Causes of Resistance

The main reasons for resistance to change in the organization include uncertainty, established habits, fear of losing something valuable, and the belief that the change is not in line with the best interests of the organization.

Change often replaces familiar things with conditions full of uncertainty. Employees within organizations face similar situations, where they have to adapt to new uncertainties.

In complex everyday lives, we tend to rely on habits or automated responses to reduce the burden of decision-making. However, when faced with change, this tendency can be a source of resistance as individuals feel threatened by the change.

One of the main causes of resistance is the fear of losing what you already have. Change can threaten the investment of time, effort, and resources that have been expended in the status quo. The greater the investment, the higher the likelihood that individuals will resist change, because they fear losing status, power, friendships, personal comfort, or other economic benefits that they consider important.

The final cause of resistance to change is the belief that the change is not in line with the goals and interests of the organization. When employees feel that change doesn't reflect their best interests or the organization as a whole, they tend to refuse to accept it.

Solutions to Resistance

1. **Effective Communication:** Building clear and open communication regarding the goals and benefits of change is essential. Transparent explanations can reduce uncertainty and help employees understand the reasons behind the change. According to Rina Agustina (2021), good communication can increase trust and reduce resistance.
2. **Employee Involvement in the Change Process:** Involving employees in the process of planning and implementing change can increase their sense of ownership and commitment to the change. Rudi Hartono (2022) stated that

employee active participation can reduce feelings of isolation and increase support for change initiatives.

3. **Training and Development :** Providing adequate training to help employees adapt to new changes is essential. This not only improves their skills but also reduces the fear of inability to cope with change. Research by Kasali (2022) shows that investment in training can accelerate the adaptation process.
4. **Building a Culture of Innovation:** Fostering a culture of innovation within the organization can help employees be more open to change. When innovation is considered part of the organization's culture, employees will be better prepared to adapt to the changes that occur. According to research by Setiawan (2023), innovative culture creates an environment that supports creativity and acceptance of change.
5. **Providing Emotional Support:** Understanding that change can be stressful, it's important for management to provide emotional support to employees. Support programs such as counseling or experiential sessions can help employees overcome their fears and worries about change (Agustina, 2021).
6. **Rewarding and Recognizing Employee Contributions:** Appreciation for employees' contributions during the change process can increase motivation and reduce resistance. According to research by Hartono (2022), recognition of employees' efforts and achievements during the transition period is essential to create a positive atmosphere.

CONCLUSION

Change management and innovation are two important aspects that are intertwined in supporting the success of an organization. Change management serves to help organizations adapt to environmental dynamics, while innovation management focuses on creating new value through the development of supportive products, processes, and cultures. In the face of contemporary challenges such as resistance to change, lack of employee engagement, and ineffective communication, it is important for managers to implement strategies that involve clear communication, employee engagement, adequate training, as well as appreciation for individual contributions. With a structured approach, organizations can stimulate innovation and stay competitive in an ever-changing market.

This research has significant practical and theoretical implications. From a practical perspective, this research can help managers and organizational leaders design more effective change management strategies. Leaders need to focus on building a culture that supports innovation, promotes open communication, and ensures that all employees are involved in the change process. Additionally, it is important for organizations to provide adequate training and resources to prepare employees for technological changes.

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