

Implementation of Change Management and Innovation in Improving Higher Education Institution's Performance in Indonesia

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Abstract

Higher Education Institution (HEI) in Indonesia plays an important role as central position in the development of science and technology in general and the improvement of human resources in particular. Rapid change in the world current economic condition and else digital technology transformation has tend the higher education to adapt and adjust with such phenomenon. The objective of this research is to remind the practitioners of higher education sector to be fully responsive to the change occurred in global. The research method is analytical descriptive analysis. The data gathered and obtained from the books, journals, and other sources which relevant to the topic of research. The result of analysis found that quick anticipation (QA) is required and top management of higher education must adopt change management and innovation in order to compete with others, attract the students, and gain excellence performance.

Keywords: Change Management, Innovation, HEI Performance

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Introduction

Change in the live has many theoretical and principal view. Organizational complexity and business environment, tend the individual to change based on many factors. While organization are striving to change, change management required significant investment (Errida & Lotfi, 2021) such as investment in organization and development of human resources. Development of science and technology has influenced the people way of thinking and decision making. Several studies highlighted the important of human contribution to the development of science and technology such as digital innovation proposed by Wiesböck & Hess, (2020) and new technology of electric cars by Buranelli de Oliveira et al., (2022) would never be happen until unless and until the quality of human resources are improved. Change management of organization is responsible for such development (Rahmadyah & Aslami, 2022). Change management deal with any organization goal (Muhtar et al., 2023).

Education plays an important role in improving human resources quality and index. Education is life and life without education is nothing. Education need direction, and the direction need the process. According to (Baidowi, 2022) that change management is always related to the education, education is the only tool to improve human resources quality without exception. Any organization or company must take care of their human resource capacity and motivated them to achieve sustainable growth (Tikson, 2018). Linking human resources to performance means maintaining internal organization interaction and communication. Hartline & Bejou, (2012) urge to improve staff performance through internal relationship change management and focus on human resource. The study done by (Elbanna & Abdel-Maksoud, 2020) using resource-based view framework found the human resource capabilities would absolutely influence the organizational performance and finally policy makers must deal with the fact.

Current change in economic development and fast transformation of digital technology bring large consequence to manage change in higher education institution. The world require faster change in decision making process and digital economy require faster process in production, distribution and consumption. According to (Sousa-Zomer et al., 2020) they are three microfoundational perspective for improving human recourse capacity such as digital savvy skills, intensity, and interaction. These models may fit with the world current change with advance technology. Nowadays, every higher education institution must be able to deal with technological advancement issue. According to (Dreamson, 2019) digital technology in education would become a perfect source for future teacher and researcher in upgrading transdisciplinary knowledge and engage with online interaction with students.

The study of change management done by Carr & Jooss, (2023) about the future sustainable workplace examine the pattern of management control in big four professional service firm found two pathway in management control such as alignment and displacement. Change management must be control in order to respond the substantial change in cultural and personal change and behavior. Change management of higher education must refer to the process and practice of organization and appropriate to the organizational behavior to achieve their objectives (Vakilzadeh & Haase, 2021). However, hybrid work setting or work

from home as a new model that change organization performance (Ikegami et al., 2023).

Innovation in higher education also plays an important role in current economy. The research done by Kusio & Fiore, (2020) on entrepreneurship culture by internal university emphasize the role of higher education in innovation. This study investigates the role of higher education as entrepreneurial entities in engaging academic performance to excellence through innovation. The result of the study confirmed the role of academician in making higher education institution as save place for creating innovation on different level based on the major of the study. The study proposed entrepreneurship competence framework to improve entrepreneurial capacity of organization and finally bond the relationship between education, innovation, and study (Kusio & Fiore, 2020). HEI have increasingly engaged with innovation as solution for environmental problems (García-González & Ramírez-Montoya, 2021).

The study done by (Adam, 2022) on change management phases in Government institution found that knowledge sharing is becoming mediating factor in relationship between behavior and change management. The study using Lewin's Model (1946) to deal with the culture of knowledge sharing and its impact on change management phases. Change management phases proposes new insight for managers in government institution to promote innovative behavior and create culture of knowledge sharing in the organization. However, implementation of change management in organization must be based on organization model and the initiative of change must be undertaken by the managers of the organization. Change management require managerial decision (Dzwigol et al., 2019).

Despite many models, the research on implementation of change management and innovation of higher education institution is still limited. The rate of change projects is not fully identified and need more exploration. This research fill the gaps. This research adopt new concept of digital technology as innovation in development of higher education and change management as a strategic model for institution survival and performance in a developing economy context.

Methodology

The development of human resource quality will influence the higher education institution (HEI) performance. This research is a qualitative research method. This research emphasis on human resource focus of the study, and qualitative method with descriptive analysis characterized by openness and accountability (Ziegele & Zerfass, 2021) are subject to change in management. This study employs secondary data research approach. The data gathered and obtained from the books, journals, and other sources which relevant to the topic of research. The researcher collect data publication related to the topic of research, then analyse them, and identify each definition in order to obtain change management and innovation from different perspectives. The study on change management and human resource capability in digital technology era and respond toward change in organization performance must be very interest topics to be discuss. The papers selected from google scholars and imported to Mendeley reference manager in a single folder for reviewing and retrieving the data in the easy way as possible.

Result and Discussion

Change Management Urgency

Nowadays organization faced many challenges of change in term of digital technology, market, and people behavior (Aulia & Aslami, 2023), an organization must be able to adapt with the market changes and the demand needs. The research of change management done by (Purnama et al., 2022) explaining the urgency of leadership spirit for action and decision making proces in organization. Strong leader must have strong leadership that able to influence the change management process, change the values, and direction of organization (Nguyen et al., 2021). Effective leader will take any risk of organization by displaying willingness to success with creativity and innovation (Mercader et al., 2021). However another research done by (Özdemir, 2023) proposing agile leadership between school principle and innovation management and put the perception as the matter of competency. In other word, the more agile leadership principle the more responsible and effective the organization.

The research on organizational change has been introduced by Kurt Lewin in 1947 (Burnes, 2020) and widely known as three-step model of change that are Unfreezing, Moving, and Freezing. The freezing process require change in culture, norms, policies, and practices (Burnes, 2020). Change project will absolutely effect every stakeholders individual or group in organization. Everyone must be able to engage with organizational purposes with high commitment, initiatives, and integrity (Errida & Lotfi, 2021). Change management is very important for any organization in today's business life. Change project will never be happen unless and untill human resources promote discretionary behaviors toward changes (Menéndez Blanco & Montes Botella, 2016), possess driving continual innovation and performance evaluation. Such urgency, must be balanced by management efficiency and adaptability. Change management project will highly depend on employee commitment and implementation of change in organization. Employee in higher education institution including lecturer, principle, students, and stakeholders must all together commits to implement change management with values and characters.

Innovation and Organizational Performance

Implementation of change management in organization would never be completed without any innovation. According to Chaubey & Sahoo, (2019) on research of organizational performance found the importance of organizational culture as mediating effect of innovation and performance. Employee creativity and intrinsic motivation has contributed to the successful organization, and put the culture as the main factor that influence the innovation (Chaubey & Sahoo, 2019). The research done by Schulze et al., (2022) on innovation orientation and firm performance considered two dimension they are proactive and responsive as the driver of performance in the market. However, every individual engaged in the organization must be able to act with both dimension. Innovation in organization will allow the people to experiment, share the ideas, and speak confident with brainstorming. Innovation in higher education institution can starts from simple idea that come from proactive and responsive people. Nevertheless, formulation innovation required strategies and direction concerning the opportunity, entrepreneurial spirit, and the quality of human resources (Udiyana et al., 2018).

Thus, sustainable innovation leads to sustainable competitive advantage and knowledge-oriented leadership indirectly effect organizational innovation factor (Banmairuoy et al., 2021). Innovation in Higher education institution bonds to vision and strategy, culture, and teamwork as well as leadership agility (Özdemir, 2023).

The study on capability and co-innovation towards resilience on the organization done by (Ciasullo et al., 2022) point out that innovation in organization as part of successful critical factor to address the environmental uncertainty. The innovation consist of adapting new technology to increase competitive capabilities. Innovation in organization seemingly interrelated to each other in terms of idea generation and technology to create an extraordinary values (Ciasullo et al., 2022) at the same time innovation could shaped the organizational strategic and goals (Özdemir, 2023). The research done by (Özdemir, 2023) on innovation management competencies proposes five dimension of innovation they are strategic, process, technology, leadership, and structure.

Change Management and Innovation in Digital Technology Era

Digital transformation has changed the organization performance. The study done by Liu et al., (2021) reveals digital adaptive capacity plays an important role in improving organizational competencies such competency to compete in digital market and digital economy (Popescu et al., 2020). Change management strategy must focus on the change in technology development and adopt digital transformation for increasing organization performance (Denning, 2023), else, building digital innovation ecosystems (Wang, 2021). Wang (2021) suggests digital technologies embeddedness will enable innovation undertaken in organization and finally create human resource sustainability (Diandra & Syahputra, 2021; Chen, 2021). Higher education institution have to elaborate entrepreneurial and digital skill at the same time (Prendes-Espinosa et al., 2021) and allow the students to use number of digital tools and techniques in learning process (Galindo-Domínguez & Bezanilla, 2021). This is essential to top management to adapt quickly with changing environment dan technology. Wibowo et al., (2023) on his research about digital education reveals that digital intention can effect the number of social media usage. Thus, change management and innovation of higher education institution in digital technology era.

Innovation is essential for entrepreneurship organization. According to (Chatterjee et al., 2018) that innovation distinguish higher education mission into action to create and sustain organization value driven process approach. Organization posses to the vision for change with combine new idea and creativly approach. However, collaboration of every actors in creating such agenda with effect organization performance and sustainability. Moreover, rise of digital influence has increased industrial competitiveness and innovation without digital has observed to be insignificant (Nuseir & Aljumah, 2020).

Propose Change Management and Innovation Model

Change management and innovation of higher education institution sorrounded with phenomenon of organizational management and practice. The definition of change management combined with innovation in digital technology era will promote the values and terminate the gaps of organizational issues. The

concept of change aims to alleviate specific reason and determination of higher education, shifting the unchangeable resources to the quality one. Therefore, quick anticipation is required from top management of organization. Bring the reflection with undeniable performance of organization, sustain, and maintain current structures (Cavalcanti, 2021). Finally, this research propose change management and innovation model as follow:

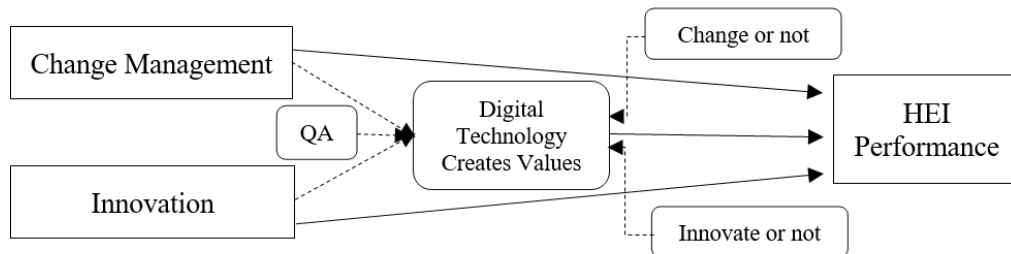


Figure 1. HEI Performance Model

Conclusion

This study analyze the literature of change management and innovation of higher education institution in current economic situation in the context of digital technology era. The two streams of performance indicator such as change or not change and innovate or not innovate. Higher education must adapt to change the institutional values and process of learning from the very basic or fundamental level of education. Previous researcher identified higher education with change management based on culture, personal change, and behavior, while other specifically emphasize on the adoption of digital technology as the process and part of innovation in education. Moreover, change management distinguish the higher education institution with the change and innovative one compare to others do not. Change management and innovation will allow any higher education institution runs the organization with entrepreneurship mode and reduce the failure of output. Finally, this research focus only on human resource perspective and organizational performance in digital technology era, future research could examine the influence of change management and innovation toward higher education from different perspective, objective, and methods.

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