

# The role of Change Management in the Implementation of a new system in Nonprofit Organization in Oman

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**Abstract-** The aim of this paper is to evaluate the role of change management when implementing Customers Relationship Management (CRM) system in Nonprofit Organization in Oman. In this research we are going to take Information Technology Authority (ITA) as an example of Nonprofit Organization in Oman.

**Index Terms-** Change Management, CRM, Nonprofit Organization, Oman

## I. INTRODUCTION

The aim of this paper is to evaluate the role of change management when implementing Customers Relationship Management (CRM) system in Nonprofit Organization in Oman. In this research we are going to take Information Technology Authority (ITA) as an example of Nonprofit Organization in Oman.

## II. CHANGE MANAGEMENT LITERATURE REVIEW

To have a perfect change in the organization, there are five elements for successful change, if one of them is missing the change process may fail, the first is the Idea which is about an internal creativity and inventions. The second is the need where there is "a gap between actual performance and desired performance ". The third is adoption to make the change easily and handling change resistance if there. In addition, the implementation which about using the new effective and efficient idea to deliver it with high quality. Finally, the resource which about managing the allocated resources of the change (Daft 2004).

In the other hand, there are six forces that are acting for change and make the organization to change if it wants to be surviving. The first force is changing nature of the workforce which is about adjusting human resource policies and practices to attract and keep workforce diversely (increasing in professionals and spend money in training). The second force is technology which is to make the product or the service faster and cheaper. The third force to change is the economic shocks, like for example the new dot-com business has been created or the economic down what exactly happened in few years ago. The other force is the competition which about for example the organization going globally and mergers or acquisition to other companies. The fifth force is the social trends where as author described "the people meeting and sharing information in the internet chat rooms ". The final force is world politics which is

about for example the escalation of hostilities in the Middle East and war on terrorism following 11/9/2001 (Robbins 2003).

So as it is seen that the change is necessary in some situation and the organization should be flexible and able to act fast and ready for any change could be happen. To support the Change Management when changed happening, there are strategies that could be used to make the change happen successfully and easily, and these strategies are divided in three phases which in before the change, during the change and after the change. In the first phase which the change happened and in the early stage, the team who responsible for the change or the change management should keep in the mind the benefits of the change which make the organization in it is early stage in the change, know and agreement of the benefits that could be gain from the change. Also the team should be sure about the Readiness Assessment which this helps the organization ready to adopt the changes required by making the change happened and transfer the plan to the reality when for example implementing the new software. In addition, the Resistance Management is very important especially in the early stages because this could be significant barrier to have the successful and easy change if there any type of the employee resistance (Pmis c 2005)

The second phase is during the change, the team should be aware from some main points for example: the communication plan which is about structuring the communications plans and describes to anyone who involved in the change about the change plan and how it may have an effect to them. Also when the team or the organization implements the change plan, they should have close monitoring and evaluating to the actions within change plan. In addition there should be an education and training plan because it will provide and make the employees in the organization have the necessary and required skills and tools. Also in the side of resistance the organization or the change team should take and care about any feedback about the change and try having full help to any employee need the help (Pmis c 2005).

The third and the final phase is after the change, the change team or the organization should put in consideration couple of points for example measuring the benefits and compare what achieved to the expected to achieve from the start. The other point is "identify gaps and manage the resistance because almost fails in change happened" because there are gaps in "actions undertaken or unexpected resistance" so by knowing these gaps will help in correction the actions to support the change (Pmis c 2005).

In the side of resistance to change, in general it could be divided into two type of resistance. The first type is an individual resistance which this resistance could be because a habit of the human being. The other reason could be the Security which about the threaten feeling of safety. In addition the Economic

factors may cause the resistance of change where the individual become afraid that change will lower his income. The other reason is the fear of the unknown where after the change will be there a new experience and new system (Robbins 2003).

The second type of resistance of change is the organizational resistance which this resistance may happen because of many reasons for example limited focus of change where changing happening focus for one subsystem without changing other subsystems. The other reason is threat to expertise when there is a need for specialized groups which they are from outside the organization (Robbins 2003).

To overcoming the resistance to change the author Robbins suggests many solutions. The first solution is the education and communication which by helping who resistance to see the logic of a change. The second solution is participation by let the employees who expected to resistance or who will be involved to the change to participate the changing, because it is difficult for anybody to resist for thing that he participate on it. Also the negotiation can be solution for the resistance by for example exchange something value for a lessening of the resistance (2003).

The authors C.Pries & M.Stone set some aspects of failure any information technology projects. The first is technological reason aspect where the size and how the project is complex, new project and it is first in it is kind, no coordination between departments and new technology. The other aspects are human behavior and change management problems. The organization if focused too much in the cost rather than focusing in the customers that will result customers will be managed less. In addition to that CRM give the organization the support needed to view customers as an asset (2004).

### III. RESEARCH DESIGN

Mainly in research philosophy, the research method in this research is by building theories based on the data that was gathered.

According to Charaborty (2009), there are three types of questions in the research which they are descriptive, relations and causal. So in this research, all these types are used.

As the author Denscombe (2003) set four types of research methods which they are Questionnaires, Interviews, Observation and Documents. So in the first stage of my research, the research contents a qualitative research. In addition, the questionnaires and interviews were made to the related middle managers and some employees. Personal and formal interviews were conducted for a more objective research. The collected data were summarized through relevant theme summarization.

### IV. ORGANIZATION BACKGROUND AND DETAILS:

Information Technology Authority (ITA) is established by the Royal Decree 52/2006, which is published on the 1st June 2006 and ITA is belong to the government sector. ITA is responsible for "applying national IT under base projects and supervising all projects related to implementation of the Digital Oman Strategy while providing professional leadership to

various other E-Governance Program of the Sultanate" (ITA c 2007).

### V. BACKGROUND SUMMERY OF QUESTIONNAIRE

**Table 6: Background Summery of Questionnair**

	Number of Questionnaire
<b>SEX</b>	
Male	36
Female	11
<b>Age</b>	
20-29	31
30-39	12
40-49	4
<b>Education Level</b>	
Secondary School or Below	12
Diploma/Bachelor	33
Master or Above	2
<b>Work experience in ITA</b>	
1-2 years	12
2-3 years	10
3-4 years	15
More than 4 years	10
<b>Do you know that ITA uses CRM?</b>	
Yes	40
No	7
<b>Do you use CRM system?</b>	
Yes	18
No	29

### VI. ANALYSIS AND DISCUSSION

Almost 65% of employees say that the top level management was not involved when implementing CRM system and also they are not seeing an evaluation of the progresses when implementation which resulting no correction happened when needed. The authors J. Chena, H. Yenb, E. Lic and R. Ching recommended that the top level management should evaluate the effectively of CRM system in all related departments (2009). Such as sales department, customer services department and information technology department. And by taking the result of evaluation, they can know and recognize the practice and process which are weak and recommend an improvement action and correction. The data collected also show that there was a missing of the CRM readiness assessment which this help the top level managers to see how the progress in CRM implementation and give the view the position of the project. In addition to that, it will help the managers to view and identify the level of CRM development in the organization "pre-CRM planning, building a data repository, moderately developed, well developed and highly advanced" (A.Payne and P.Frow 2006).

From the data collected from the interviews and survey show that after implementing the CRM system there was a change in the processes and the structure in the organization which this present the first step in construction as described by

the authors H.Chang & P. Ku, they said that both business process reengineering and the organizational learning can improve the relationship quality and the performance of the organization (2009). The authors H.Chang & P. Ku defined business process reengineering it is about "changing the business processes and redesigning them" to the new innovation way process like the practices and the structure, which try make the process in customer based to be focused (2009). So that means redesigning the existing business process to be familiar with the new information technology that will be implemented.

The survey show that around 35% of employees don't know the vision of the top level management and also this vision is not shared among the organization. This founding is conflict with what the authors H.Chang & P. Ku described about the organization learning which aim make the organization capacity more effective when the organization want to adopted the a change or action. So this will make the employees and the system continue going in the direction that the top level management want and seek. Also when the employee knows the important of organizational learning that will make the CRM system implementation more easily and successfully (2009)

Normally, the employees are usually viewed as users and carrying information not more than that. So to prevent the resistance in the later stages it is recommended to involve and include the employees in the planning stage (C.Pries & M.Stone 2004), that what was found in ITA from the data collected, the employees who his duties will be in CRM system they are involved in earlier stages of implementation.

When implementing CRM system in ITA, it was outsource project where there was a special team from outside the organization come to implement the system. The authors A.Payne and P.Frow set two types of teams in the CRM project management when they said the project team could divide into two forms. The first team which a group of specialist just work together temporary until they finished the project in particular time. The second team which they are from the organization "cross-functional team" and working in two sides in the project and their daily work. So the situation in ITA reflects the first type of the team. The authors added, there is a framework called benefits Dependency Network which result in more effective project management which it is aim to " backwards from the project's objectives " to the propose that all " business changes are taken and made " and " CRM technology solutions implemented " (A.Payne and P.Frow 2006). So that mean the CRM project management become more important as the size and complexity of CRM increased.

In the resistance side when implementing CRM system in ITA , the data collected from the interviews and the survey show that there was a little resistance from the employees but it almost have not affect the successful of CRM system . For example the employees who were involved during the implementation were an IT oriented and they haven't the other side of orientation like the customers and marketing which this lead them ignoring the customer orientation and just focus in IT even they know this application related to customers. The authors C.Pries & M.Stone mentioned that the resistance during the implementation of CRM system almost appear in the face line users of CRM system because one major point which make their work more transparency where almost all information about clients and

customers are shared. In addition to that some resistance happened because afraid from the change. But all these could be reduced by applying the good change management practice which what exactly done in ITA. Another reason could because afraid from additional work during the implementation or because changing the routine work that employees are used with it and starting carrying new tasks (2004).

In the other hand if we take the resistance based in time as the authors I.Rahimi and U.Berman set stages and these stages could be found the employees resistance . The first stage is in the system design, when the organization using the external experts to collect data and information about the organization system processes like what we have in ITA the employee's participation could be not helpful by not giving the complete data and information in the system processes. The other stage in data entry, that employees resistance make the entry is not fully supported by the employees and make them some data not entering and saving them outside the system in their files and documents which this could be happened as described above when the employees is an IT oriented where they don't know the full customers information and data. Which all these resistance will affect how the CRM system is successful, because when the data and information about customers is missing and the data is not entering in some causes which that make the system lack of customers data and what the organization's customers like and hate (I.Rahimi and U.Berman 2009).

The problems that could come or be faced during the implementation of CRM can be divided into three aspects as the authors C.Pries & M.Stone described: financial, technological and cultural. The CRM make the organization focus their effort to an existing customers rather than spend it to a new customers. Which this effect an organization in the financial side by increasing the customer retention and loyalty which result in higher cash flow and reducing the operation costs (2004), but in ITA there was no big issues and problems faced in the financial aspect. Where many organizations spent a lot of money and budget to gain and attract new customers but when the customers come, the organization fail to satisfy them and didn't understand the new customers which result waste in their time and budget (C.Pries & M.Stone 2004). In the culture aspect, there was no problem and issues faced in this side in ITA. But in the other hand, there was a little problems faced in the technological aspect in ITA. The reason of this, because there was a lack in training employees in the CRM and it is kind of new software used in the government sector. The training is very important and it is hard for the ITA to build and manage a good customer focused systems and process without a good staff and employees who they definitely need to be trained and motive in this aspect. For that reason the CRM change and project management depend in this tear for their success. For example if the employee is happy that will affect customer experience (A.Payne and P.Frow 2006).

## VII. SUMMARY

The change management effects the implementation of CRM system in many aspects for example: top level management evolution and correction, change process and practices, resistance management, strategy and vision sharing.

### VIII. CONCLUSION

In conclusion, from the above analysis in the side of change management, the points that are covered in this aspect like for example the top level management evolution and correction, change process and practices, strategy and vision sharing and resistance management, all these points present that change management play significant role in successful of the system and show how it is important and it is hard to get the desired benefits and successful without the change management.

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