

Journal of University Studies for inclusive Research

Vol.1, Issue 1 (2018), 1-19

USRIJ Pvt. Ltd.

Change management and its role in enhancing the competitive advantage in the construction sector

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Abstract

Business organizations are constantly working to achieve their goals and maintain their survival and growth. This is constantly pushing them to develop and modify their strategies to suit the new developments, the most important of which is the change management. Thus, this study came as an attempt to identify the theoretical frameworks and concepts of change management and clarify its role in enhancing the competitive advantage of the construction sector as one of the most important sectors that contribute to the strengthening of the economic level in all countries. To achieve the aim of the study, the researcher will use the qualitative method by relying on the theoretical literature and previous studies.

The results indicated that the effective management change contributes to achieving sustainable competitive advantage at the organizational level in the construction sector. The study also stressed that effective management change contributes to achieving sustainable competitive advantage at the organizational level.

Keywords: *Change management, competitive advantage, construction sector*

1. Introduction

Today's work environment is characterized by fluctuation and dynamic change in which the foundations of the constants have been shaken. As a result, the construction sector, as one of the most vital sectors in the economies of the countries, attaches great importance to the management of change processes, in an effort to achieve real development, keeping pace with the aspirations of individuals in this field, and to face the competitive challenges imposed by the rapid developments in its internal and external environment.

Change has become a hallmark of contemporary organizations as it offers them optimal solutions in a world teeming with the challenges posed by the new globalization system (Sirmon et al., 2010). Intense competition between companies and technological change, as well as information wealth and the elimination of trade barriers, put the organizations in a huge risk. This necessitated the provision of creative capabilities capable of facing these rapid changes, in which change has become a key function in modern organizations. Huang et al. (2015) argued that any organization that has the desire to survive and grow with supremacy must adopt a new philosophy based on delivering

higher value to the target consumer and provide products with unique characteristics.

Hosseini et al. (2018) pointed out that due to the increasing economic competitiveness of the institutions operating in the same sector at the international level, especially in light of the pressures of the successive changes in all fields on the one hand, Institutions must exercise their actual role of controlling the market and achieving a strong competitive position. All of these are contingent upon building a competitive advantage on a solid basis, and working to improve and develop them to avoid the risks of intense competition based on the programs and processes of change, and competitive strategies to achieve its objectives.

Therefore, Moses (2010) stated that building a competitive advantage in economic institutions and striving to improve them necessitates the need to keep pace with change through planning its programs, knowing its causes, areas and strategies. It is imperative for these institutions to provide a regulatory and administrative platform that creates the necessary climate to achieve the desired objectives of the change processes and the possibility of developing a sustainable competitive advantage. Thus, this study came as an attempt to identify the theoretical frameworks and concepts of change management and clarify its role in enhancing the competitive advantage of the construction sector as one of the most important sectors that contribute to the strengthening of the economic level in all countries.

1.1 Research problem

Construction companies face intense local and global competition, which calls for strategies and tools to help strengthen their competitive position. Fernie et al. (2006) stressed that the competition in the construction sector as a result of the economic openness that is evolving and expanding requires pushing the construction sector to enhance and improve its competitiveness to ensure the maintenance of its current market share, and to seek a new market share.

Moreover, the tremendous technological development in recent years, the challenges and changes that the world is experiencing in all fields, and the emergence of multinational companies, international competition and others, pushed the need of change in organizations to the maximum. Dalanda (2013) stressed that this development revealed the weakness and problematic management of material and human resources, and called for new approaches to address them effectively, and to create new types of management styles and approaches appropriate to new situations, such as change management. Based on that, the problem of the current study can be summarized in the following question:

What is the role of change management in enhancing the competitive advantage in the construction sector?

1.2 Research importance

In order to continuously improve the competitive advantage and to develop and maintain it for as long as possible,

the companies operating in the construction sector are required to continuously follow up the changes in the expectations and desires of the customers, and therefore their continuous endeavor to introduce continuous innovations in their services. This requires officials in these institutions to adopt change approaches that embody the principle of permanent improvement in the advantage that it has.

This study is important to understand the vital role that change management plays in the construction sector where change is the basis of its work and key to keep up with the various developments. The awareness of the importance of change in these companies has become a major concern for highest levels and bodies, and has become an important tool of dealing with the transitions and coping with instability. In this case, it is the responsibility of officials to know the exact causes, effects and purpose of change. It should not be an end in itself but a means of achieving excellence. To move from a current situation to a better future, the planned change, if properly managed, is a real key to achieving and improving the competitive advantage of these institutions.

The role of all parties working in the institution must not be neglected because of their impact on the success or failure of change programs through the expected resistance to change.

The importance of this study is shown from the strength of competition resulting from the growth of the construction sector, and the result of global openness.

In addition to the utmost importance that construction companies attach to change and achieve a competitive advantage among their counterparts in the sector, where change plays a major role in attracting customers to these companies as a result of the creativity, innovation, quality and aesthetic designs of their projects. It is expected that the results of the current study will contribute to opening the way for stakeholders and workers in construction companies to apply the concepts of change management to achieve their competitiveness. It is hoped that this study will come up with a set of recommendations aim to clarify the importance of change management in improving the competitive advantage of construction companies and motivating companies to adopt this management approach as an essential and important step in achieving their goals.

2. Research methodology

To achieve the aim of the study, the researcher will use the qualitative method by relying on the theoretical literature and previous studies. This approach is appropriate to the nature of the current study and enables the researcher to take a comprehensive look at the research topic.

3. Literature review

3.1 Change management

The researchers differed in the development of a unified concept of change management, due to the different schools of thought to which they belong, and the difference in the angle from which they look at this phenomenon. Change management is the predisposition by providing the technical,

behavioral, managerial and cognitive skills to use the available resources efficiently and effectively to shift from the desired future reality during a specified period with the least possible negative effects on individuals and institutions in the shortest time and the least effort and cost (Jalagat, 2016).

By (2005) pointed out that change management is the effective treatment of the changing daily pressures experienced by a person as a result of progress and development in the aspects of material and non-physical life and ideas, and interaction with them through business and outside institutions to reach the desired situation. Therefore, understanding and mastering the skill and management of change is one of the basics pillars of dealing with the current situation, especially when making changes that affect the institution or individuals (Wiggins, 2009). These changes aim to face the great challenges to ensure the continuity of survival and success in the world of competition, which requires a special understanding of the process of change, its causes and its sound elements (Petouhoff et al., 2006).

It should be noted that the change includes a comprehensive and integrated that extends to all areas of the institution. Hence, change shows the need for conscious management to achieve this change, which is important in many aspects, including; maintaining active vitality, developing the ability to innovate, the desire to develop, and the compatibility with the variables.

Jalagat (2016) stated that change management includes a number of characteristics that should be taken into account to reach the real purposes of the change process, the most important of these characteristics are:

1. Targeting: Considering that good change can only be done in accordance with a strategic approach. Thus the goals and objectives of the change process should be identified from the beginning.
2. Realism: The objectives of change should be realistic.
3. Harmonization: There must be an appropriate degree of compatibility between the change process and the needs and aspirations of the different forces of the change process
4. Effectiveness: Change management must be effective, capable of influencing others, and directing the forces of action in the systems and administrative units that are intended to change them.
5. Participation: Change management needs positive interaction.
6. Reform: change management must be characterized by reform; which means it seeks to remedy the existing defects, and address the existing imbalances in the institution.

Regarding change management objectives, Ganta and Manukonda (2014) pointed out that because change management is a process that requires human, material and intellectual costs, it must have objectives that justified those costs. Among these objectives are to create an atmosphere of trust among employees across the various administrative levels, to create reciprocal and complementary relationships between employees as individuals and groups, and to promote team spirit of competition, thereby increasing the effectiveness of groups. Jalagat (2016) argued that the goals of managing change are inclusive, encompassing all organizational, behavioral,

and cognitive areas of the organization to bringing about change that elevates the organization and its market position and enhances its competitive advantages to a competitive position that ensures its continuity.

From what has mentioned regarding the subject of change management it is clear that administrative work is no longer easy to implement as a practice of a hobby, but has become a continuous effort based on science and practical experience to deal with different circumstances. The knowledge and leadership capabilities of the manager represent a major role in dealing with the surrounding changes and the raised challenges. This can be achieved by using practical methods to ensure the survival and continuity of institutions, public or private, as change has become an imperative in the life of the institution.

3.2 The competitive advantage

The concept of competitive advantage occupies an important position in the fields of management and business economics. Especially in light of the highly competitive challenges of the global economy which is witnessing rapid changes imposed by many factors. Although there are many theoretical frameworks associated with the term competitive advantage from researchers, there is agreement that it determines the competitive position of the institution and is the key to its continuity and growth (Wang et al., 2011).

There are many definitions that researchers have given for the term competitive advantage.

Some have clarified that competitive advantage shows through the discovery of new ways more effective than those used by competitors (Fernie et al., 2006; Dalanda, 2013). It is also defined as a set of comparative characteristics that are unique to institutions and can be maintained for a relatively long period, due to the difficulty of emulating them or achieved during that useful period and enables them to outperform competitors in their services and products. Moses (2010) clarified that the concept of competitive advantage refers to an institution's ability to formulate and apply strategies that put it in a better position for other institutions engaged in the same activity.

Competitive advantage thus represents a strategic vision achieved by harnessing and exploiting the organizations' resources for excellence, and by carefully studying all changes in its competitive environment,

in order to achieve a competitive position that allows it to develop its capabilities, ensure its continuity and survival.

Huang et al. (2015) mentioned that the importance of competitive advantage shown from its being the way in which strategic thinking leads the resources and capabilities of the organization towards the achievement of valuable benefits to customers and the organization outperforms competitors. These advantages lead the organization to achieve high market share, high profits, customer satisfaction and loyalty (Wang, 2014). Sirmon et al. (2010) added that the competitive advantage gives the organization a qualitative and quantitative advantage over the competitors, thus allowing it to achieve high performance results.

In addition, competitive advantage contributes to the positive impact on customers and other dealers with the institution and motivates them to continue to deal with them (Zabieh, 2014). Therefore, the organization achieves a competitive advantage if it adopts a competitive strategy that achieves value, and on the other hand, this advantage should be permanent (Ren et al., 2010). This can be achieved if two criteria are met; inability of any competitor to implement this strategy, whether current or potential competitor, in addition to the inability to competition institutions to achieve this strategy.

Cegliński (2017) emphasize that a competitive advantage has a set of characteristics, including:

1. Competitive advantage is considered sustainable; in the sense that the organization takes the lead in the long term, not only in the short term.
2. Competitive advantage is renewed according to the external environment data on the one hand, and the capabilities and resources of the institution on the other hand. This means that it is scalable in line with the changes of the surrounding environment.
3. The competitive advantage is flexible. This means that a competitive advantage can easily be replaced by another according to the considerations of changes in the external environment, or the development of resources and capabilities in the enterprise on the other hand.
4. Competitive advantage is based on differences between an organization and its competitors, not on similarity me advantages of that strategy.

3.3 Change management and the competitive advantage in construction sector

Business organizations are constantly working to achieve their goals and maintain their survival and growth, and this is constantly pushing them to develop and modify their strategies to suit the new developments. Thus, the organization's management seeks to apply the concept of change management. It also seeks to take advantage of the knowledge and science that scientists constantly develop both outside and within institutions. These efforts lead to achieving a highly competitive advantage and a continuous progress and development.

Fernie et al. (2006) pointed out that there must be no fear of change or perceived as threatening stability. It is the only constant thing, especially since the need for it has become a feature of the present era, has become a real challenge that cannot be ignored by any institution. These institutions are obliged to keep up with their challenges in order to continue, survival, development, and thus reach a competitive advantage.

A series of studies were conducted to clarify the relationship between change management and competitive advantage. Dalanda (2013) found that the management of change processes that took place in the organization had important and positive repercussions. This has reflected in the increase and diversity of services and products that have become available in line with the wishes of its customers,

and had contributed to increase the ability of employees to exercise control and self-direction and rapid response to customer requests resulted in an increase in the number of sales of the institution.

In the construction sector, Erdogan et al. (2005) argued that change in the construction sector is a major concern for governments. Fears arise from the consequences of change in this sector. Cao et al. (2004) argued that the current changing environment requires continuous changes to suit the needs and desires of customers. Sirmon et al. (2010) stressed that the application of change in the construction sector aims to avoid negative effects, maximize the level of profits and increase the level of quality.

Cegliński (2017) clarified that the results and effects of these changes depend on the magnitude of the change and the nature of the change, but the key determinant is how to manage the change.

Amr (2009) found that the design and change department is related to achieving the competitive advantage of the Jordanian construction companies. Lim et al. (2017) found that the training of employees and the development of their levels and activate their communication with each is one of the most important factors that ensure the success of the application of change management in construction projects. The study also stressed that effective management change contributes to achieving sustainable competitive advantage at the organizational level.

4. Conclusion

Competition at the level of a vital sector such as the construction sector needs to be pursued by continuous innovation and adaptations that serve the internal and external environment. Fierce competition in the construction world necessitates a high importance to be given to the dynamic competitive advantage, based on the approach and inevitability of lasting and effective change. This change requires realizing a change management that includes new and adapted technologies and approaches to meet the challenges of maintaining and improving the competitive advantage gained.

Change is the key to the success of the organization and its competitiveness in the world. In order to develop their competitors and maintain their sustainability, organizations of various forms, activities and actions attempt to make the necessary changes to adapt and cope with the pressures caused by the external environment or those caused by the internal environment. This ambition for change is often met with resistance or fears, and effective leadership allows it to be overcome through developing an appropriate strategy for successful change. This success can be observed by the organization as a result of improvements in its performance level, which is manifested in the form of outputs such as; profits, lower costs, increased sales, higher rate of return on assets and ownership, good resource utilization and higher competitiveness. Based on the research finding the researcher recommends the following to motivating companies to adopt this management approach as an essential and important step in achieving their goals:

1. The need to study well the conditions of the internal environment and follow-up developments in the external environment, to determine their effects on the process of change, and to avoid any negative repercussions on the plans for renewal and development.
2. The need to determine the level and comprehensiveness of change and its requirements at all levels of management, whether small advocacy for adaptation or large and require more creativity. These aspects help the organization's management to continue and succeed according to its ability to deal with different situations and areas of change.
3. Attention to make a qualitative change in individuals, and to take advantage of their potential and always work to develop their scientific qualifications and technical skills through training and continuous follow-up, motivation and transparency in dealing
4. Work to bring fundamental changes in the technology and technical means available to the institution to keep pace with developments in this area

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