Chapter 19
Reality of Change

Flair J. Karaki
Al-Quds Open University, Palestine

EXECUTIVE SUMMARY

The purpose of this case is to describe the challenges an organization faces when a situation arises that forces it to make changes, and to illustrate possible strategies employed to manage the potential change. Vision University, decided to introduce a specialized Information System in its departments using simple computer forms. The decision was not the only one the university made to improve how the institution operates. In order to facilitate needs of the human resource department affairs, the President of the university welcomed the installation of a Human Resource Information System (HRIS). During the design and implementation of the HRIS project, resistance to the new system surfaced and continued after the completion of the project. Vision University found the resistance unfounded on the grounds that the benefits outweigh the difficulties and the employees would eventually grow accustomed to the new system.

ORGANIZATION BACKGROUND

Vision is a mid-sized, private, university in Palestine. The university has four faculties: Art & Sciences, Education, Business and Economics and Agriculture. In addition to its academic faculties, the university has a number of non-academic departments, the main six ones are: Financial & Purchase, Human Resources (HR), Public Relations, Registration, Quality and Information Technology (IT). The university was founded in 1984 with a staff of fifty administrative and academic employees. It grew slowly during its first few years, but eventually experienced rapid
growth in student numbers from about 300 to 9000 in 2006. For the same year, it
had an administrative staff of 320 and an academic staff of 260. A number of new
faculty buildings had been added to the university’s property and existing centers
had been expanded as the continuing education center, and the women studies center.
In 1998, the university council decided to establish a new department called “the
quality department” to ensure that Vision continues to develop and maintain high
standards of academic excellence.

Vision started as a small size institution, with a simple organizational design. It
concentrated its efforts on the stability of its establishment and operations. It
succeeded in doing so by being employee-oriented and always working to create
a better working environment. As the university grew and its operations became
more complex, its organizational structure changed as it established more formal
hierarchical relationships with institutionalized rules, roles and positions.

The university primarily depends on funds from students’ tuition fees, in addition
to restricted funding from donors and government. During 2000-2006, the university
committed to invest in its faculties’ building and renew its academic enterprises.
Although Vision’s financial position was strong, it had heavy obligations due to its
huge investments in fixed assets. The purpose of the investment was to improve the
academic departments and ensure that the students get the best education. Since
2003, government funding to universities had decreased significantly as a result of
the economic downturn in Palestine.

The entire growth of the university operations over the years had led to a forma-
tion of an organizational structure characterized with many layers of management.
In 2003, the organization decided to assign a steering committee, to take the re-
sponsibility of reviewing the administrative structure of the university in an attempt
to decrease deficiencies in the operations of its services. A committee was asked
to suggest a portfolio of options for the administrative reorganization, to achieve
efficiency, and rid itself of unnecessary costs in order to concentrate its efforts on
developing the academic services. The committee started to study the organization’s
units and their interrelations and identify the number of individuals that should
report to their supervisor, in addition the committee searched for ways to minimize
the number of supervisory positions. The committee suggested making restricted
changes, which would affect a limited number of departments. The following are
examples of the reorganizational structure:

1. Adjusting the structure of the finance department after merging the depart-
ments of procurement and financial services.
2. Adjusting the structure of IT department, after merging the departments of
maintenance and service; and information technology services.
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