

## Organizational change and current trends in management

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**Abstract:** *“The challenge is to manage the organization’s culture so that you can tap the company’s strengths to achieve superior performance and identify its weaknesses in time to overcome them before they cause serious damage.” Successful adaptation to change is as crucial within an organization as it is in the natural world. Just like plants and animals, organizations and the individuals in them inevitably encounter changing conditions that they are powerless to control.*

**Key words:** organizational change(s), learning organization, change management, interpersonal relations, management style.

Charles Darwin shows us that it is not the strongest or most intelligent of the species that survive, but those that are most responsive to change.

The transition from controlled change largely imposed with phenomena of resistance of those who take a stand against it, to continuous change as a way of thinking and action in everything that an organization performs is one of the most important mutations of the management system in

today performing companies. This orientation has led to a new concept – “learning organization”.

The creator of this concept, Peter M. Senge, a professor of management at Massachusetts Institute of Technology, was incorporated in 1999 by the Journal of Business Strategy, among the 24 personalities of the twentieth century who had the highest impact on the direction of affairs, and his book *The Fifth Discipline* was published in

1990 and sold more than 750,000 copies.

According to Peter M. Senge's concept, the "learning organization" is an organization where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together (Peter Senge, *The Fifth Discipline*, p.3).

In McCalman and Paton Change's opinion the change is "a continuous process of confrontation, identification, evaluation and action." Change issue is an almost obsessive concern in the sociology of organizations, perhaps because of the emphasized and also proved bureaucratic rigidity, or practical problems that managers of both state and private enterprises are constantly facing with.

Kurt Lewin considers change as a dynamic equilibrium of some forces which, on the one hand, are forcing the change, and on the other hand, that cause a resistance to change.

In K. Lewin's opinion, there is evidence both for change and factors that hinder the change (such as technological change, the explosion of knowledge, product obsolescence, mental blockages, indifference, fear of new things, fear of failure, but also changing of the labor structure).

Change within the organization/company can be influenced by external factors (which can be controlled to a lesser extent by managers such as: changes in technology, increasing complexity of life that generates complex communication systems and social changes). Internal factors through which changes act within the organization are actually represented by processes of making decisions, communication, interpersonal

relations, leadership, management style etc.

In addition to the factors listed, there are a multitude of factors which, by nature of their content, are generating change.

But there are other factors underlying change, the most frequent in Romanian society as in many European Union countries: political law, European and international laws/regulations, tax system, competition, unemployment rate, lending policies, demographic trends (workers, taxpayers), and changes in lifestyle or business ethics.

Managers' clear and deep perception of the need for change is essential for the change process. Perception of change is important but not sufficient and should therefore be supported by a mix of actual activities of the managers. Consequently, one of the most important aspects is the understanding of the organization's staff, managers and subordinates regarding the need for change. The organization's staff should be helped to understand that the current organizational structure should be adapted to new requirements posed by the transition towards a market economy, the current information system should be changed and transformed into an effective tool available for managers and that their decisions need a participatory background using modern methods and techniques of management.

Total employee's involvement in the process of orientation by working together for ensuring collective responsibility to change the values or principles of the organization is one of the main characteristics of "learning organization" mentioned in the article.

According to Peter Senge's opinion, the "learning organization" is characterized by five dimensions: the existence of a shared

vision, team learning, systemic thinking, personal mastery and also the existence of mental models.

Having a common vision enables all employees to have a clear perception of the organization's vision and makes it possible for every employee to act consciously to transpose the vision into practice.

Team learning means finding solutions for solving new problems and applying all together. In such a vision, "learning organization" provides continuous learning opportunities for all its components, uses learning to achieve organizational goals and, most importantly, ensures the permanent joint between individual and organizational performance.

Systems thinking represent the essential element of "learning organizations" because each of the organization's components knows its own tasks and understands how they interact with others' tasks in the overall process of providing goods and services. Personal mastery refers to the concern regarding the understanding of members' tasks. In this way, the organization can successfully overcome all the problems they face with.

Explicit construction of mental models of what the organization's members tend to become or do. They provide a deep and integrated critical analysis of the facts, develop generalizations and design images that have an influence on how people understand the world and act.

David Garvin (Building a Learning Organization ) has defined the main activities of a "learning organization":

- Systematic problem solving through: theory systems-based thinking, use data and not assumptions, using statistical tools.

- Experimentation with new approaches: providing a new traffic flow of ideas, impulses for risk taking, demonstration projects.
- Learning from their own experience and acknowledging mistakes.
- Learning from the experience of others by taking some of their best practices.
- Transferring knowledge quickly and efficiently throughout the organization by the means of reports, conferences, training programs.

In a modern vision (Calhoun Wick and Leon Lu Stanton, *The Learning Edge*), the managers act as models and encourage others to learn within the mentioned organizations (they recognize that all employees need to learn), and the employees accept responsibility for their own careers and learning. Organization's procedures and policies are used to provide guidance for action and there is a continuous process of reassessment and change of job requirements.

Today, European companies are making progress towards the "learning organization". Learning faster than the competition allows obtaining important competitive advantages. Companies that learn creates a safer environment for their people, therefore they are more willing to take risks. In these organizations, the main idea is to that individual learning enriches and enhances the organization as a whole and it is believed that creative tension is an important source of energy and renewal.

In Kurt Levin's opinion, the process of change within the organization must take the following three steps:

- Opening – where the change of the balance between the desired situation

determining the change and the effective one is experienced.

- Change or transformation – where the changes allowing the transition to the desired situation are introduced.
- Closing – where a new balance in the system is aimed. This may be done by resorting to legislation, organizational culture and structure.

Change management requires a systematic sequence of trials accompanied by a permanent feedback.

The manager must be familiar with the problem situation involving change in order to act in this regard. This requires a diagnosis stage of problems and causes that generate the problem and also of the effects those situations have or may have for each type of problem. Understanding the nature of the causes that have generated positive and negative symptoms is crucial in this stage. Also the manager and his team will establish the necessary resources involved in these methods of action and the implementation of change.

Major changes in the organization simply do not happen. Changing involves the development of a true complex process where forces that exert pressure for change and forces opposing change are facing. This process has several stages: awareness of the need for change and raising interest in initiating change among the organization's managers, the diagnosis of the situation based on information gathered and analyzed by the actual change, the application of version selected using all appropriate measures and strengthening of new values that support behavioral changes.

It is important to differentiate between organizational changes resulting from

strategy development and implementation (that is, "strategic change"), and organizational changes resulting from self-assessment (that is, "process change").

Events determining orientation towards a change in culture, ideology and organizational structure can be:

- Opportunities or major disruptions in the context of the company (economic crisis, economic boom, the emergence of a new generation of technology).
- Changes in company's ownership and/or management (merger with another company, making a joint venture, changing the upper management of an organization, etc.).

Change is essentially a transformation or a change in the status quo, a change from a state of affairs to another, from one set of conditions to another. Resistance to change is a good thing because it proves the existence of some degree of stability and allows the prediction of organizational behavior. However, the effects of resistance to change are mainly negative: it can cause conflicts within the organization, but mostly it is a hindrance to progress.

One of the most important ways to reduce human resistance to change is their involvement in change planning by focusing them on their own feelings, insecurities, and resistance. When people are confronted each other openly, when they have information in place of insecurity, they may participate in change rather than resist it. People must be given the chance to discuss and understand the nature of change and their fears triggered by it.

Another way to reduce human resistance to change is represented by the anxiety created by change. That emphasis should be

placed on finding the source of discomfort to people who have fear of change and not on using sanctions or threats as a means to persuade people to engage in change.

Given that habits and routines are the source of resistance to change within a process of change, we must not ignore the behavioral patterns of work that have already been stated or "institutionalized".

Communication is one way of reducing resistance to change. Resistance may be reduced by communicating with employees, helping them understand the need for change. This method is effective when the main cause of resistance is individuals' lack of information regarding the change process. The time and effort involved in this tactic represent its main disadvantages, especially when the change affects a large number of people.

"What changes are required to secure a more effective activity within today's organizations?" We can often see changes no one needs. It happens many times to understand that, it was only after a change was made, it did not answer to our real problems. In most cases the organization is involved in a process of continuous interactions with its environment. In addition to organization, there are other systems in this environment – suppliers, customers or end-users – which can influence the organization and, in turn, are influenced by it.

Inside it, the organization can be perceived as having four interacting components: tasks, organizational structures and systems, culture and people – members of the organization. It is necessary for the organization to adopt changes especially in the interior in order to survive in an environment increasingly unpredictable. The organization must consider the change an opportunity, as a help to grow and prosper.

The changes are part of the managerial and organizational life. They may be important and happen increasingly frequent being decisive for the organization's survival. Changes may provide different opportunities to persons involved: increasing professional satisfaction, improved working conditions, improve practices, increasing efficiency, etc.

Change's external favorable pressures may be due to political, economic, sociological and technological factors exerted by the external environment where the organization subscribes.

Other external pressures arise from market demands and offers, competitive conditions and changing conditions. Change's external favorable pressures lay beyond the control of the organization. Change's internal favorable pressures are often linked to external ones. Change's internal favorable pressures are controlled by the organization.

The Nadler-Tushman diagnostic model can be used to understand the organization's present state and to describe the foreshadowed one. The main components of this model are the tasks performed by the organization, organizational structures and systems, its culture and people working within. In addition, the model highlights the need to find collective vision shared within the organization and individuals (or groups) that can facilitate change.

By mentioning the level of change, we can estimate the duration of its implementation, complexity and process difficulty. It is also necessary to analyze our own reactions to change and to determine the influence of attitude we have to change on our ability to manage it.

Length and difficulty of implementing a change depend directly on the level it occurs.

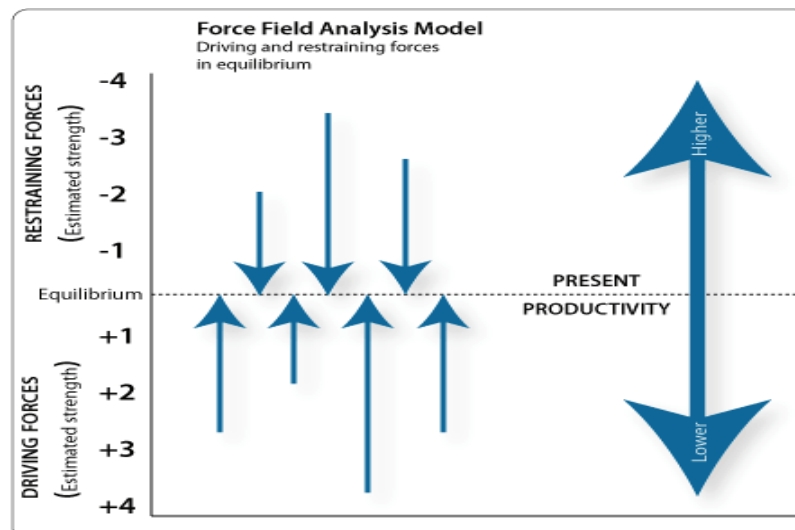
The Lewin's force field diagram is an analytical tool that can be used to identify the forces that oppose and require change, their relative size and any items in favor of change which could be attracted by the forces that require change. Force field analysis is also an influential development in the field of social science. It provides a framework for looking at the factors (forces) that influence a situation, originally social situations. It looks at forces that are either driving movement toward a goal (helping forces) or blocking movement toward a goal (hindering forces). The principle, developed by Kurt Lewin, is a significant contribution to the fields of social science, psychology, social psychology, organizational development, process management, and change management.

Lewin believed that changes of an individual's "life space" depend upon that individual's internalization of external stimuli (from the physical and social world) into the "life space." Although Lewin did not use the word "experiential," (see experiential

learning) he nonetheless believed that interaction (experience) of the "life space" with "external stimuli" (at what he calls the "boundary zone") were important for development (or regression). For Lewin, development (or regression) of an individual occurs when their "life space" has a "boundary zone" experience with external stimuli. Note, it is not merely the experience that causes change in the "life space," but the acceptance (internalization) of external stimuli.

Lewin took these same principles and applied them to the analysis of group conflict, learning, adolescence, hatred, morale, German society, etc. This approach allowed him to break down common misconceptions of these social phenomena, and to determine their basic elemental constructs. He used theory, mathematics, and common sense to define a force field, and hence to determine the causes of human and group behavior.

Lewin assumes that in any situation there are both driving and restraining forces that influence any change that may occur.



In their book called "In Search of Excellence"(1982), Peters and Waterman drew attention to eight characteristics that any innovative organization which is open to change must meet: action-oriented, customer approach, autonomy, productivity by the means of a good human resource management, simple structures, centralization of key issues, decentralization of actions/implementation and daily control, focus on key issues.

Organizational transformation is profound changes while considering harmonization, organizational adjustments and reorientations. Frequently, organizational transformation involves redesigning the organization as a whole, and depending on how the manager chooses to influence his employees. It must be said that managers, at all levels, have their own management style; some choose to delegate and to support their subordinates, others choose the authoritarian style. But effective managers must be able not only to choose a management style, but also to apply it correctly. There is not only one management style which characterizes a manager: each manager can adopt a style or another, depending on the situation.

Robert Tannenbaum and Warren Schmidt wrote one of the most groundbreaking articles in the Harvard Business Review in 1957, showing that the management style is the manager's OPTION. They based their theory on two aspects: orientation towards inter-human relations, which defines the democratic style of management and orientation towards obtaining results, which defines the authoritarian management style. Thus, they identified seven levels of management style:

- The manager allows subordinates to operate without limits defined by him;
- The manager defines limits but let the

group to make the decision;

- The manager presents the problem, ask the group for suggestions and then make the decision himself;
- The manager presents the group the tentative decision. The decision may be changed by the group;
- Manager presents the ideas and then invites the group to ask questions;
- The manager makes the decision and then convinces the group that the decision is correct;
- The manager makes the decision and then presents it to the group.

Being concerned about the ways of improving profitability and increasing the response to market opportunities, managers will try to make some changes in the way of doing business and conducting daily activities, using the most appropriate leadership methods. They include a continuous active and visible participation in change projects.

Senior managers must equally be initiators and advocates of change. Usually employees want to obtain the change image directly from the organization's chief executive.

Roles of managers need to materialize as a support for the execution staff in the process of organizational change and for their orientation in order to achieve the professional development throughout the transition to the new environment. Being at the interface between the initiators and those who actually feel the change, who must acquire new skills and act in a manner different than before, they will have an essential role in the effective achievement of the change.

**In conclusion** - organizational change aimed at making significant changes within the organization as a whole, which is in opposition with small changes which involve

non-essential modifications of the organizational structure, work program or other persons in managerial or executive positions. Organizational change involves changing an organization's mission and vision, introducing new technologies with new types of activities, introducing a performance appraisal system and redesigning the payroll system, performing essentially changes into the organizational structure, orientating to

new groups of target customers having other needs and behavior totally different from the previous ones, introducing the management system by the means of objectives and more. Organizational change should be a new fundamental and radical trend in respect of ways in which the organization is to conduct their activities, with critical implications on the behavior of all the organization's components, from chief executive to executive staff.

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