Organizational Development through Change

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Abstract: *Organizational development is influenced by the continuous improvement of the processes and activities carried out and, implicitly, of the results obtained. In this context, this paper offers a perspective on organizational development by exposing some reference approaches from specialized literature, highlighting the "management system – strategy – organizational culture" trinomial. Given that organizational development is achieved through the design and implementation of some change projects, several representative models of organizational change developed over time by recognized personalities in the field of change management are presented and analyzed. Based on the analysis of these models, the paper proposes a model of organizational change applicable to companies operating in the contemporary business environment.*

Keywords*:* organization, organizational development, change, change model.

JEL Classification: M10, M21, L21, O21.

1. Introduction

The activity of a company is subsumed to meet the objectives foreseen by the managerial team. The fulfillment of the objectives entails moving the organization into another stage of its evolution, therefore getting to a new stage on the organizational development scale.

Developing a product or service, introducing new technology, remodeling certain organizational culture components (behaviors, attitudes, values, good practices) are organizational development vectors.

The redesign of a company's decision-making system, organizational structure, information system, and the operationalization of management methods and techniques are strategic options for organizational development and increased competitiveness.

Organizational development is in fact reflected in gaining competitive advantages over competing companies on the market.

In the current business environment, the sustainability of organizational development is conditioned by the functionality of the management system, the creative-innovative potential of human resources, the technologies used, the strategy and the organizational culture.

Organizational development involves improving individual, group and organizational performance, as well as increasing internal capabilities to effectively respond to changes in the environment [13].

Organizational development is concerned with facilitating change in organizations through a holistic and humanistic approach that puts people at the heart of the process [14].

Organizational development involves designing and implementing changes that favor the efficient use of resources and, implicitly, increased competitiveness [4].

2. Literature review

In specialized literature there are many approaches to organizational development.

W. Burke believes that "organizational development is a planned process of change in the culture of the organization, using behavioral theory and practice" [5]. In R. Beckhard's conception, "organizational development is a planned effort, coordinated by top-level management, that targets the whole organization and is aimed at increasing efficiency, improving working conditions by means of intervening in processes, using the knowledge of behavioral science" [1].

M. Beer outlines a more comprehensive approach to organizational development, structured on three coordinates [2]:

- improving the consistency between the procedural and structural components of the organizational system, strategy, human resources and organizational culture;
- designing and implementing creative solutions that will increase the efficiency of organizational activities;
- developing the organization's capacity to renew through change projects.

Professor Eugen Burdus considers that organizational development brings together a set of actions to design and implement measures to improve the components of the management system (strategy, structure, information system, decision-making system, methodological system) aimed at increasing the performance and competitiveness of the organization [4].

Organizational development is a long-term process, initiated and carried out by the organization's leadership, focusing on "organizational learning" and problem-solving aspects, integrating all organizational dimensions and having as its "engine" the group efforts of the members of the organization [11].

In our view, organizational development is a complex process that takes place throughout a company's lifespan, has as a fundamental objective the increase of competitiveness and is structured on three main dimensions: (Figure 1):

- a powerful management system (functional, flexible and efficient);
- competitive strategy (ensuring the sustainable integration of the organization in the business environment);
- evolutionary (change-oriented) organizational culture.

Figure 1. Organizational development trinomial

The presented approaches lead to a few important conclusions regarding the organizational development, namely:

- it is an integrated and continuous process, aimed at increasing the performance of a company;
- involves planning and coordination from the company's senior management;
- is focused on the "management system - strategy - organizational culture" trinomial;
- it has to permanently streamline the managerial and executive processes of the organization;
- puts a major focus on organizational learning;
- involves creative solutions to solve the problems faced by the organization;
- aims at increasing the company's renewal capacity through successive projects of change.

3. Organizational change models

In this section of the paper, we present a few representative models of organizational change developed over time.

K. Lewin has developed a model of organizational change structured in three stages [9]:

- defrosting;
- change;
- refreezing.

It starts from an initial state (existence) of the organization that is no longer in line with the evolution of the main variables that

define the interior and exterior organizational environment. At this organizational stage, there is an increasing need to make changes.

Managers have an essential role in preparing the first stage of the process, communicating through clear, concise and consistent messages the necessity and opportunity of change.

In the defrosting stage, most employees are aware that the change is absolutely necessary and will have a favorable impact both on the organization as a whole and on each one of them, with added motivation, satisfaction and performance. At this stage, the managerial team will develop and present employees a coherent and realistic program of measures to get their support. It is important to note that the success of the proposed change project is determined by the credibility of the company's management.

The change stage involves the operationalization of the measures contained in the action plan elaborated and presented by the managerial team in the first stage. It is natural to start with smaller changes, which are most likely to be successful in implementation, to give employees confidence and an additional motivational incentive to make further significant changes.

In the third stage of the model, the refreezing phase, the stabilization of the new systems, structures, methods and working procedures introduced into the organization takes place. Practically, it is a step to consolidate the changes made and the organization's entry into a new stage of evolution.

Another representative model in the specialized literature is R. Beckhard's model, which starts from the hypothesis that the probability of success of a change is a function of several variables, namely [1]:

$$C = \frac{f\ (A, B, D)}{X}$$

where:

C = the probability of success of the change;

A = level of dissatisfaction within the organization;

B = the clarity of the definition of the desired future state;

D = the first practical step towards the desired future state;

X = resistance to change.

The model developed by Beckhard includes four main stages:

- initiating the study and attracting the staff (based on managers' decision to engage in a process of change, to allocate the necessary resources and to engage human resources in this process);
- diagnosis (aimed at identifying the problems faced by the organization, as well as its strengths in relation to the environment);
- planning and implementing changes (consists of drawing up a plan of measures aiming at the transition to a new state of the organization's system, as well as creating the conditions for their implementation);
- assessing and institutionalizing change (aimed at highlighting the effects of applied measures and the conditions that need to be created for the organization to maintain itself in the newly created state for as long as possible).

J. Kotter's model is based on a proactive approach to change and includes eight stages [8, 12]:

- convincing staff about the need for change (informing employees about the existing situation and the options for change);

• training the Reformers Team (made up of people with professional, managerial and leadership skills);

• defining the perspectives and formulating the strategy (outlining a vision appropriate to the future of the organization and the new strategic orientation);

• communicating the perspectives and strategy (sending clear and consistent messages during the sessions);

• involving the human resources in the process of change (the use of motivational tools by managers);

• obtaining quick results (validating the necessity and opportunity of change);

• strengthening the results achieved and continuing the process of implementing changes (increasing employees' confidence by attracting new people in the change process, while promoting those who have achieved success);

• institutionalizing changes in organizational culture (completing the process of change by integrating the changes implemented into the company's culture).

An interesting, pragmatic and comprehensive model is that of Richard Newton, structured in nine steps [10]:

◎ defining basic elements (source and impact of change, approaches to change);

◎ understanding the objectives (defining and testing the objectives, establishing the gap between the existing and the desired situation);

◎ creating a team of change (creating a team core, a network of agents and supporters of change, initial evaluation of support and opposition);

◎ planning for change (setting the main activities, delimiting the stages of the change process, cost planning and identification of benefits);

◎ assessing the capacity for change (the impact of change, identifying the capacity gap, improving the change plan);

◎ implementing the change (application of the plan of measures, monitoring process, problem solving, solution testing);

◎ strengthening the change (supporting human resources to adapt to the new situation, recognizing mistakes, completing the process);

◎ managing the communication (identifying communication managers, creating key messages, assigning communication responsibilities, implementing the communication plan);

◎ preparing for future changes (reviewing the change, identifying possible future changes, preparing for continual change).

4. Analysis and discussion

We will carry out a correlation analysis of the presented organizational change models, highlighting the main advantages, but also their limits.

Thus, Lewin's model only has three stages, is simple and easy to apply in any organization. The main limit is that it only addresses companies in difficult situations, not those having good results and willing to improve.

R. Beckhard's model is more complex and captures in a mathematical formula the variables that influence the probability of success of a change. It is and will remain a reference model in the organizational change literature.

As model minuses, we mention the reduced role of human resources in the process

of change, as well as the approach of culture as a variable with little impact on the company's performance.

Kotter's model has as its main strengths the proactive approach to organizational change and the priority given to culture in the success of the process of change.

In our opinion, organizational culture is an important variable for organizational changes [6].

Kotter shows that change can be better implemented when it is "anchored" in culture, which implies knowing that most changes in shared norms and values will occur when the transformation process is near completion [3.7].

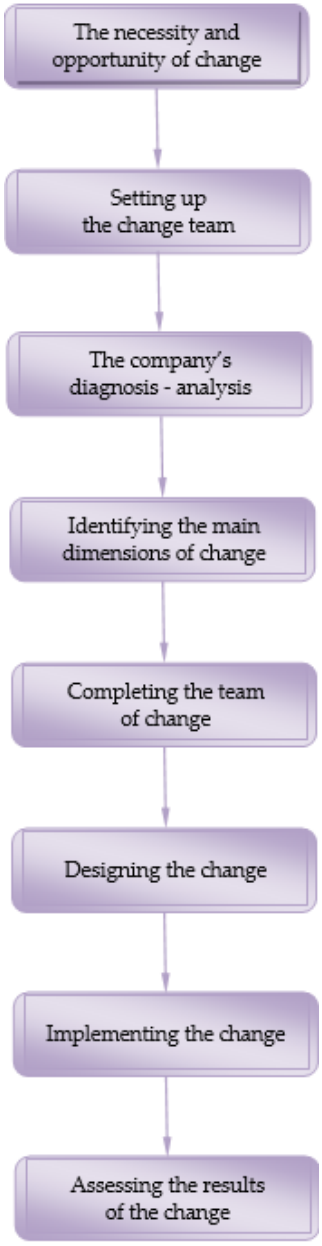
The limits of Kotter's model are oversizing the role of top-level managers as promoters of change and the lack of relevant and unitary criteria to assess the company's performance.

Richard Newton's model is laborious, well structured and has a pragmatic dimension. The structure of the model is logical, starting from basic elements (the source and impact of change), continuing with the understanding of objectives, team formation, planning, implementation and consolidation of change. A strong point of the model is that it has as its final stage "preparation for future changes". Consequently, after completing this model, the company acquires the skills needed to be prepared for future changes. Thus, the idea of continuous change, a reality that all organizations face in the current period, is induced. The limit of this model may be related to its complexity and, implicitly, to the difficulties that may arise in the implementation process. This limit could be canceled by adequate training of the managerial team and all human resources directly involved in the change process.

Starting from the analysis of these models, we propose a structured organizational change model in the following stages [Figure 2]:

- the necessity and opportunity of change (identification and presentation by the managerial team of necessity and opportunity factors triggering the change);
- setting up the change team (formed, in the first phase, of top-level managers and external consultants on change management issues);
- the company's diagnosis-analysis (assessment of the internal potential of the organization and in-depth analysis of the business environment, i.e. the activity branch, competition, legislative regulations, etc.).
- identifying the main dimensions of change (organizational, decisional, informational, methodological, strategic, etc.);
- completing the team of change (teaming of medium level managers with attributions, competences and responsibilities in the field of the envisaged changes, as well as informal leaders from the targeted areas of activity);

Figure 2. Proposed organizational change model



- designing the change (formulation of the change strategy with realistic objectives, well-defined strategic options, allocated resources, related deadlines, etc.);
- implementing the change (implementing the change strategy projected in the previous stage, monitoring the implementation process by the change team, making adjustments, etc.);
- assessing the results of the change (assessment of the performances obtained by reference to the foreseen objectives,

identification and analysis of the malfunctions registered in the implementation process, formulation of corrective or developmental recommendations for the next period).

5. Conclusions

Developing a product or service, introducing new technology, remodeling certain components of organizational culture are organizational development vectors.

Organizational development is a complex process that takes place throughout a company's lifespan, its fundamental objective is to increase competitiveness and is structured on three main dimensions: an efficient management system, a competitive strategy and an evolutionary organizational culture.

Organizational change models in the literature focus on understanding the source and the impact of change, the role of the managerial team in the design, coordination and implementation stages, the organizational communication process, the consolidation of the results obtained and the institutionalization of the changes in the organizational culture.

The organizational change model proposed in the paper comprises the following stages: the necessity and opportunity of change; setting up the change team; the diagnosis-analysis of the company; identifying the main dimensions of change; completing the change team; designing the change; implementing change; assessment of change results.

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