Management of Organizational Change Processes

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Abstract: *Contemporary organizations need to understand the meaning of change and to tackle it as a source for improving processes and activities, aiming at increasing the performance and competitiveness. From this perspective, the paper presents approaches to organizational change and highlights the fundamental objectives which the organizations set for themselves by designing and implementing organizational change programs. The conceptual framework of the change management is defined and the stages of the change management process are presented. In the final part of the paper the problem of resistance to change is highlighted by explaining the content of the stages that employees go through in the process of adapting to change within organizations.*

Key words: organizational change, change management, resistance to change, objectives, competitiveness.

JEL Classification: M10, M12, L21.

1. Introduction

The vast and complex issues related to the organizational change and the change management processes within organizations is addressed in a significant number of studies, surveys and articles published in the specialized literature [1,4,5]. The competition advantage and the competitive advantage are determined decisively by the ability of managers and entrepreneurs to design and implement organizational change programs.

In this respect, it is essential that managers and entrepreneurs promote a proactive and flexible management, by means of which possible changes in the business environment may be detected and timely and effective strategies may be adopted. Most organizations are reactive, meaning that they limit themselves merely to reacting to the changes in the business environment.

In order to become sustainable, the organizations must show a proactive behavior in business and to turn to the so-called sliding planning, which involves revisions of certain objectives, rethinking of strategic options, reallocation of resources, adjusting time limits, depending on contextual evolutions registered in the economic, social, technological and managerial field.

In our view, organizations need to have well-grounded and functional strategies, policies and programs, with realistic targets, with resources allocated rationally and effectively according to the principle of ranking strategic priorities, with deadlines established clearly, yet which may be subject to redefinitions, adjustments and rearrangements depending on the opportunities that may arise in the business environment, new contexts, situations and rules requiring appropriate behaviors, attitudes and managerial decisions at organizational level.

It is recommended that organizations evaluate periodically their internal potential, doubled by profound analysis of business environment, with special reference to competition within activity frame. Thus, we consider necessary a major mutation to managers and entrepreneurs' mentality, meaning the understanding of the analysis and evaluation importance, which complexity vary depending on the extent and specific of organization's activities [7].

2. About organizational change

Change represents the essence of business development. The approach of change has become a key element as far as competitive advantages are concerned, because only by directing employees towards adopting rapid change, the organization can react to the market pressures before the context is modified [3].

It is important that organizations understand the meaning of change and tackle it as a source for improving processes and activities, so as to increase performance and competitiveness. From this perspective, William Redington Hewlett, co-founder of the famous Hewlett-Packard, stated: "Above anything, consider change inevitable, do not try to oppose it. Always be ready for a 180° turn when you discover a new and promising direction".

Organizational change may involve, for example, redefining the company's mission and, consequently, reconsidering strategic, functional, operational and individual objectives. Thus, the redefinition of the mission means changes in the variables that define

it, namely the activity profile, products and services provided, as well as the customer segments toward which the organization is oriented. Therefore, the organization may propose itself to achieve in the future a new product, to provide a new service that may bring competitive advantages by reference to its competitors, to enter a new market or to reposition itself within an existing market.

Redefining the mission in accordance with the changes in the business environment is a projection of the managers' strategic vision on future activity.

The opportunity to redefine the mission of the organization is determined by the ability of managers to notify mutations occurring in the environment.

Organizational change may also involve the introduction of a new manufacturing or information technology having as its effect the improvement of the processes within the organization and, implicitly, the results of these processes (products and services), improving the performance evaluation system, redesigning the organizational structure (reconfigurations jobs and positions, development of certain departments and reduction of others, redefining organizational relationships, etc.), and the operationalization of managerial systems and methods such as management by objectives, project management, total quality management etc.

In our view, organizational change includes a series of activities in which the organization is prepared to acquire the skills needed to implement a new managerial strategy. Organizational change is, on the one hand, a complex process and, on the other hand, it is an important step in strategic planning, being preceded by the diagnosis-analysis and followed by the preparation of the development strategy of the organization.

Professor Ion Verboncu finds that, largely, organizational change is the transformation of any kind, whether voluntary or involuntary, of the conditions that existed at one time in a given environment. In a narrow sense, organizational change refers to any transformation in the structure, processes, inputs and outputs of an organization [10].

Richard Newton considers that there are three main modalities to approach organizational change [9]:

➤ as a project;

➤ with an action committee;

➤ integrated within operational processes.

The first of these approaches requires a team of change which sets the budget, plans the change and assesses the results obtained further to the implementation of the project.

Examples of changes achieved by project are: redesigning the information subsystem, developing a new product or service, implementing a new management system, etc.

The change with an action committee is aimed at multifunctional improvements that do not require significant investments. Unlike a project, an action committee can be permanent and can be assigned other tasks on a regular basis in order to achieve superior performance. An example of change achieved with the help of action committees is the reduction of the number of complaints from customers.

The change integrated within operational processes envisages the continuous improvement of the performance registered by each employee of the organization. This approach to change is closely related to the

total quality management, which involves tracking down quality from the moment when the order is received from the client, going through all the phases of the execution process up to the delivery of products, empowering each participant to achieve quality.

Regardless of the approach to change, the managerial team should analyze and monitor continuously and systematically the developments of the impact factors from the environment, depending on which they redefine certain objectives of the organization.

The approach of an organizational change process is always subsumed to certain objectives such as:

- redesigning the organization's management system;
- reconfiguring components of the organizational structure (jobs, positions, organizational relationships);
- redesigning the organization's decision-making subsystem;
- increased computerization;
- developing new products and services;
- introducing modern (manufacturing or information) technologies which are sources of competitive advantage;
- reshaping elements of organizational culture;
- implementing a new development strategy;
- drawing up a business partnership with another organization.

3. Change management process approach

Change management is the name given to a set of processes, tools, techniques, methods and approaches for achieving a desired end state through change. Change management focuses on a successful transition from one state to another [9].

The organizational change process management has two fundamental purposes:

- to help the organization to meet objectives that may not be achieved in the current organization and operation conditions;
- to minimize the negative impact of any change.

Professor Eugen Burduş believes that change management is the whole of the forecasting, organization, coordination, training and control processes related to certain replacement, modification, transformation or upheaval measures in the form and content of the organization, to increase its efficiency and competitiveness [2].

Change management is of major importance from both a theoretical and methodological point of view (being a scientific discipline of the managerial disciplines family) and in terms of practical use. The argument for this assertion is that a well-designed, organized, coordinated and implemented change may lead to a significant improvement in the performance of an organization.

In our view, the management of organizational change processes lies in a logical sequence of progressive steps in which programs of measures and actions are designed and implemented to improve the processes and activities of the organization, the ultimate goal being the increase of its competitiveness.

The change management process, as any managerial process, contains three main phases: forecasting, operational and final measurement and interpretation of results [6].

The first phase, in which a forecasting management is manifested, involves setting the objectives, identifying the resources and

defining strategic options through which the objectives can be achieved, given the resources of the organization.

The operational phase of the change management process, in which an operative management is carried out, includes four steps:
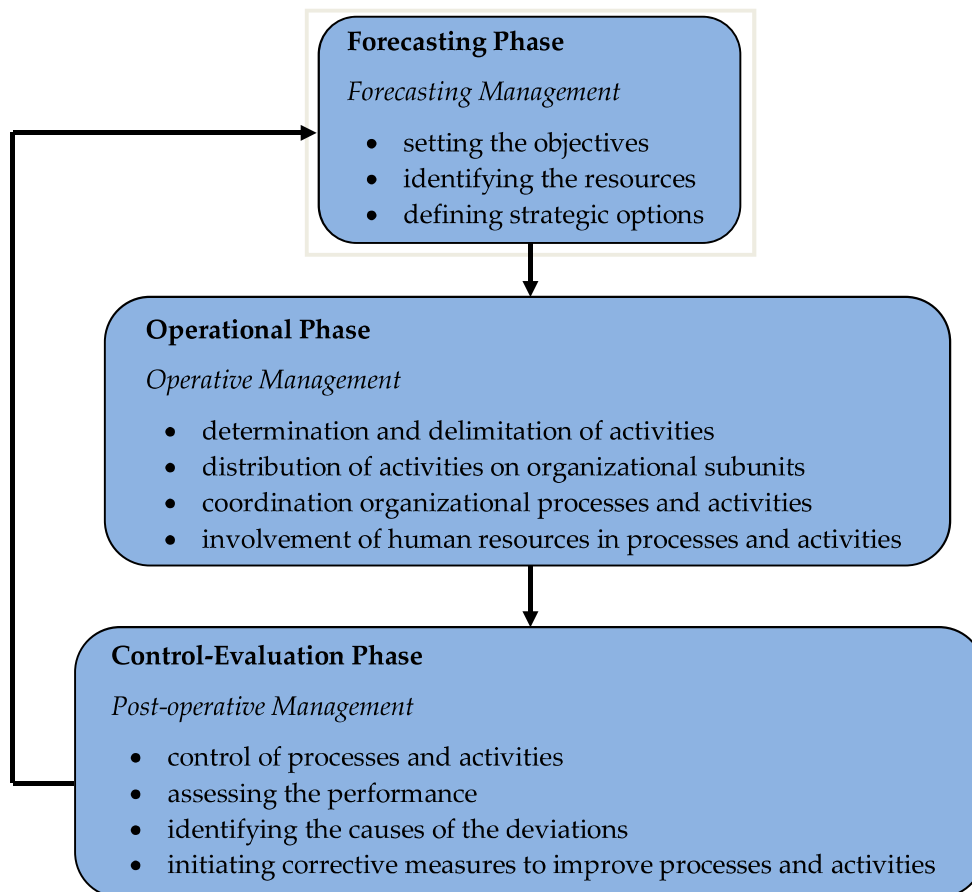- determination and delimitation of activities;
- distribution of activities on organizational subunits;
- coordination organizational processes and activities;
- involvement of human resources in processes and activities.

The third phase, the measurement and interpretation of results, in which the management is post-operative, essentially consists of:
- control of processes and activities;
- assessing the performance by comparison with the level of forecast objectives;
- identifying the causes of the deviations;
- initiating corrective measures to improve processes and activities in the next managerial cycle.

The essence of the change management process is captured in Figure 1.

Figure 1. Essence of the change management process

Forecasting Phase

Forecasting Management

- setting the objectives
- identifying the resources
- defining strategic options

Operational Phase

Operative Management

- determination and delimitation of activities
- distribution of activities on organizational subunits
- coordination organizational processes and activities
- involvement of human resources in processes and activities

Control-Evaluation Phase

Post-operative Management

- control of processes and activities
- assessing the performance
- identifying the causes of the deviations
- initiating corrective measures to improve processes and activities

In another approach, the change management process may be structured into the following main steps [9]:

- learning the basic elements (source of change, opportunity of change, impact of change);
- understanding the objectives (setting and testing the objectives, identifying the modality in which the gap may be cancelled, i.e. the difference between the current state and the desired state, and defining the limits imposed on the change);
- setting up a change team (identifying the guarantor of change, creating a coordination committee, appointing a change team manager, configuring a network of change agents and supporters, initial evaluation of the support and opposition from employees);
- change planning (setting the main activities, drafting their schedule, identifying the necessary resources, obtaining the approval for the initiation of the change process);
- assessing the availability and the capacity for change (setting the change impact, forecasting the reactions that may occur in the change process, identifying the actions that have to be included in the change plan, assessing the impact on infrastructure);
- implementing the change (plan operationalization, implementation process monitoring, detecting and solving the issues that occur during the implementation, testing solutions);
- change consolidation (support provided for employees to adapt, recognition of errors occurring in previous

stages, completion of change process);
- administering the communication process (coordinating and communication process, appointing a communication manager, conceiving key-messages, setting the schedule and the communication channels, assigning the main communication duties, applying the communication plan);
- preparing future changes (reexamining the current change, identifying possible future changes, preparation for continuous change).

4. Resistance to change

Resistance to change is an important aspect among the organizational change issues. In general, people do not like change, unless they are convinced that they will enjoy some benefits further to its implementation.

For example, an organization is to introduce a new technology that will relieve employees of certain current tasks, which will be reflected in the reduction of the burden on the working hours, and implicitly, of the organizational stress. If the employees are told this, resistance to change will be much diminished. Moreover, many employees will be motivated by the advantages of the new technologies and will support enthusiastically the implementation of the change.

Communication between managers and employees is important even if the arguments in favor of implementing a change project are obvious. Managers have many roles in the context of organizational changes, one of them being to explain the need and opportunity for change to the employees. Employees must understand their role in the success of

the change implementation process, and also become aware that they will enjoy additional benefits as a result of increased economic and social performance of the organization.

There are a number of theories suggesting that each person must go through several steps to adapt to a new context resulted from a change. One of these theories, known as the Hopson model, has structured the process of adapting to change in the following stages [8]:

• immobilization (maintaining a certain state of stability during the performance of change);

• mitigation (while recognizing the need for change, the employee has a tendency to mitigate its importance);

• depression (during the periods of major change, the employee is depressed, lacking motivation and having a bad mood);

• acceptance of reality and renunciation (the employee accepts the reality and the new state of affairs, "gives up" on the past and starts preparing for the future);

• testing (individuals become more motivated and channel their energy towards new attitudes and behaviors appropriate to the new context);

• search for meaning (the employee reflects on the change that has occurred and starts feeling that he is more efficient from the experience which he lived);

• internalization (the new thoughts, feelings, attitudes and behaviors of the employee become stable and integrated into daily work).

Generally, all the employees of an organization go through these stages of the process of adapting to change, but obviously the pace at which they go through them is different, depending on the psychological and behavioral profile of each.

The good "managers-employees" communication may reduce the process of adapting to change. Thus, in the change preparation stage, it is important for managers to transmit to the employees, in an accurate and consistent manner, the objectives that they must fulfill. Also, the employees must understand how the individual goals fit into the new system of objectives of the organization. In the change implementation phase, each employee has a schedule of activities with well-established durations and deadlines that they have to follow in order to fulfill the new objectives and tasks incumbent upon them.

It is essential that the managers, through the power of their own example, mobilize their employees and impress upon them a new kind of attitude towards change.

Competitive, sustainable organizations are those in which the employees exhibit a pro-learning and pro-change attitude. Organizational changes always involve information gathering, knowledge and skills, which are the most important sources of competitive advantage in contemporary economy.

5. Conclusions

Organizations need to have well-grounded and functional strategies, policies and programs, with realistic targets, with resources allocated rationally and effectively according to the principle of ranking strategic priorities, with deadlines established clearly, yet which may be subject to redefinitions, adjustments and rearrangements depending on the opportunities that may arise

in the business environment, new contexts, situations and rules requiring appropriate behaviors, attitudes and managerial decisions at organizational level.

Organizational change includes a series of activities in which the organization is prepared to acquire the skills needed to implement a new managerial strategy. It is important that organizations understand the meaning of change and tackle it as a source for improving processes and activities, so as to increase performance and competitiveness.

The management of organizational change processes lies in a logical sequence of progressive steps in which programs of measures and actions are designed and implemented to improve the processes and

activities of the organization, the ultimate goal being the increase of its competitiveness.

Resistance to change is an important aspect among the organizational change issues. The good "managers-employees" communication may reduce the process of adapting to change. In the change preparation stage, it is important for managers to transmit to the employees, in an accurate and consistent manner, the objectives that they must fulfill. In the change implementation phase, each employee has a schedule of activities with well-established durations and deadlines

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