

CHANGE MANAGEMENT IN AN UNCERTAIN ENVIRONMENT

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Keywords: Change, Perceptions, Emotions, Resistance.

Abstract: The present environment in which the enterprises operate is in a continuous change in accordance with the international expansion of the activities, the market opening and permanent technical progress. In this context, enterprises should mobilize their material and immaterial resources in order to ensure a long lasting development, to find the means necessary to improve their operation in accordance with the evolution of domestic and foreign environment. All these factors make change acceptance and administration an objective need for companies' survival and development in the contemporary economy.

Change management depends on the company and its employees' learning capacity. Faster and faster changes imposed by the environment oblige the organizations to be reactive in a very short period of time and to find new and rapid manners of learning. Newly acquired knowledge will modify the views of the managers and their teams on the activities and will contribute to a very solid grounding for the decisions. Thus, they answer to the new mutations in the contemporary society.

1. Introduction

The change represents a long lasting modification generated by the domestic or foreign environment of the company on the structure, technology or the personnel of an organization, which is aimed at improving the operation and the performances of a company.

The change is an organizational reality and its management represents a complex task for the leaders and managers of today's enterprises.

The foreign environment offers numerous challenges, restrictions and opportunities for the organizations of any kind - large, medium-sized and small enterprises, multinationals, universities, or hospitals.

Peter Drucker states that [5] an international entrepreneurial revolution manifests nowadays, due to multiple sources of any kind. Technical changes generated by inventions, innovations, modernized technologies create not only new business opportunities, but also many restrictions regarding the existing businesses. Economic changes such as the transition from a classical economy to a computer-mediated economy and from a central-planned economy to a market economy, or the international expansion of the business environment are challenges business environment should respond to. Social changes lead to the middle class development, determine the diversification and amplification of consumer needs and preferences.

Psychological changes generated by education and communications development or by the computer revolution of the last decades determine diversification and

flexibilisation of demand, which implies deep organizational modifications in order to respond to the new requirements imposed by the surrounding environment.

In addition to these foreign factors, there are domestic factors which can cause operational changes in an organization. The redefinition or modification of the strategy in order to make it more aggressive in accordance to the high competition on the market, the introduction of new production equipments, which imply the accumulation of new information and interaction schemes for the working groups, represent domestic sources of change. Workforce is a dynamic element whose structure continuously changes in terms of knowledge, age, studies, or nationality. Managers should permanently redefine the job positions in order to keep ambitious employees and give them the possibility to satisfy some material or spiritual needs such as promotion, professional recognition, job enrichment, salaries that correspond to the individual performance with respect to company objectives.

Because the problem of change management has proved to become a serious problem, the scientists have concentrated their efforts to define the role of the managers in this new economical content. So, a long series of studies have clearly demonstrates that the exchange operations becomes world wide spreaded, and, accordingly, the management of this change start to be the main role of the managers.

The ecosystems changing, where organizations, laws, rules, privatization, globalizations, fusions, acquisitions, alliances and increasing concurrency, is the main responsible of all changes. The structural modification of a business at the organizational level in order to became more flexible, reactive and to better respond to their clients requests, the flood of innovations, as well as new managerial methods implementation (as The Total Quality Management), all these represents projects that concentrates on make a safety but accelerated transition for each company.

Each change, by the means of its actions and effects, may influence the knowledge, the operational methods, the roles and behaviors, the values. Those changes that are focused on the structure of the organisation will attain/treat/influence the work methods, formal relationships, the roles, and the decisional process. The changes that are technology oriented will produce exchanges at knowledge, communication, roles and power. Finally, the personnel-oriented changes will influence the roles, behaviors, the values and the psychological aspects of work.

2. Change concept

The present environment in which the enterprises operate is in a continuous change in accordance with the international expansion of the activities, the market opening and permanent technical progress. In this context, enterprises should mobilize their material and immaterial resources in order to ensure a long lasting development, to find the means necessary to improve their operation in accordance with the evolution of domestic and foreign environment. All these factors make change acceptance and administration an objective need for companies' survival and development in the contemporary economy.

Change represents a radical or partial transformation process [6] which affects organizational structures and competences. It is a dynamic process [2] which creates a difference within a system in a period t and a period $t+1$. Change is a way [10] between a departure point and an arrival point, between two equilibria in an organization.

The analysis of this dynamic process of change attains three aspects in the specific literature - cognitive and psychosocial approach, managerial approach and temporal approach.

Cognitive approach explains the process of change by means of cognitive and interpretative schemes. These schemes consist of the companies' beliefs and values. They allow the identification of the system elements and the explanation of the relationships between them in order to obtain a general view on the whole. These factors lead to understanding the behavior and actions of one company's employees.

Psychosocial approach defines change as a planned movement which regards the organization in general, a movement conducted from the highest ranks of the hierarchy in order to ameliorate the efficacy and health of the organization by means of planned interventions in its processes and by using the elements of the behavioral sciences [1]. Change is a planned process in which a central place is occupied by the psychosocial and human dimension. It is a resultant of the people's will and not a natural characteristic of the organization.

Managerial approach considers change in terms of values, strategy, structure and management system. Change involves the transformation of an action system which will affect the human relations and the control and communication types.

Change is a collective process by means of which the participants' necessary resources and skills are created in order to establish new games whose implementation allows the organization to reorient as a group of people and not as a machinery [3].

Temporal approach presents change as a process which consists of various stages in a temporal dimension with the help of the actors which make up the respective organization.

According to Lewin, change is a process considered in three stages - decrystallisation (defreezing), move, recrystallisation (freezing).

Lewin's model [8] eases the understanding of the behaviors and forces that exist in an organization. The latter are, in his view, of two types: forces of attraction or forces motrices in favor of change and restrictive forces which prevents the action of change. Within change, the actors' behaviors will result from the combination of the two forces, which they should understand.

Lewin's idea of change is compared to a river which changes its elements throughout time, even if "its speed and direction remain unchanged"[8]. Therefore, change will be a quasistatic process which results from a field of opposed forces with the same intensities. By analogy with a chemical transformation in which a solid passes through a fluid state before returning to a solid stage different from the first, the process of change will be a long lasting planned cycle, which consists of three stages:

Unfreezing relies on the actors' admission of a contradiction between the enterprise and the environment. Then, a desire for transformation appears within the organization. So, it is a period of questions and new openings which suggests that the forces motrices succeeded in surpassing the barriers, in changing the perception schemes and in eliminating the old beliefs. This stage is characterized by instability, a lack of orientation and an insecurity degree, which reinforces the feeling that a change is needed.

Move represents a movement towards change, the exploration into new practices and the implementation of a plan or program in order to move the organization and its members towards a satisfactory state.

Recrystallisation(Freezing) constitutes the last stage of the change process when new practices are introduced. This stage consists of the consolidation, convergence and understanding of the new behaviors. In exchange, during this stage, the organization faces the rooting of new norms and the emergence of new cultures. Recrystallisation prevents members from returning to the previous stage.

3. Resistance to Change

Minor changes transform the organization everyday. The sources of these changes are numerous as well as the obstacles which appear in front of these changes. The obstacles which appear in the change way can be grouped in three categories [7]:

- the equilibrium of the forces and continuous oscillations; the multiplicity of the changes of small dimensions generally determine the annulation of their effects. At billiards, the clash of balls determines their new disposal on the table, but this new position of the balls resembles the previous one: the number of balls is identical and it is less important whether a red ball is replaced by a black ball. In no event will an absent-minded actor notice this aspect.

- personal impediments; some forces in the enterprise encourage change, others stop it. In case of major changes, the interaction between these forces does not trigger deep modifications. Deep or brutal modifications affect both the conservative and the progressive's interests, advantages and values. The individual reasons of the resistance to change are multiple: the influence of the past, modification of the acquired advantages, fear of the future, acquired customs and routines.

- Resistance of the initial organization.

Each enterprise has a structure which determines the spread of the power, a culture, a strategy, a configuration difficult to be changed because it comprises all the motivations of the initial actions, the initial intentions and the objectives of the enterpriser and his/ her team. The slow reactivity of the enterprise in many cases can have more causes:

- the managers' conservatism ,
- misunderstanding of the environmental signals,
- misinterpretation of these signals,
- delayed implementation of the reactive decisions,
- wrong implementation of the reactive decisions in the activity of the company.

This resistance to change, regardless of its sources, should be overlapped because change is the major means of improving the efficacy of an organization in an unstable and uncertain environment. It can be attenuated by the introduction of good education and communication policies in a company in order to make the employees understand the logic of change.

The participation as a modality of overlapping the resistance to change implies the involvement of the members affected by change in the decision making process, thus, allowing them to express their feelings and improve the quality of the decision making process.

The employees' resistance to change can also be overlapped by help, support, therapies or short paid holidays. An instrument and at the same time a major expression of this method represent the proliferation of the consultants and councilors in the management together with the professionalisation of the managers in an organization.

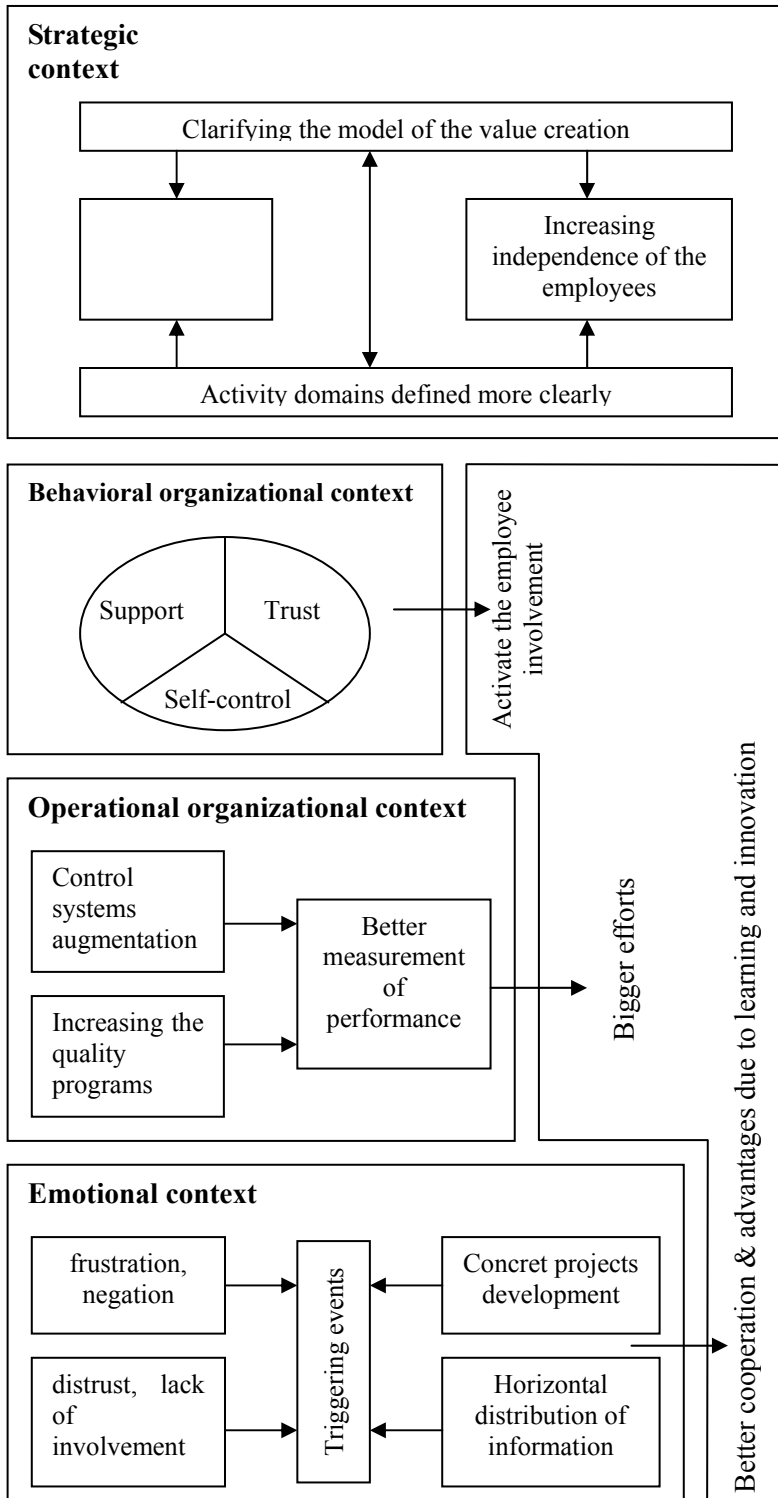


Fig. 1: The waves of changing – adapted from [4].

The least appropriate method used to make members accept change is to exert pressures or coercive measures, way which regards the employees' emotional dimension. This direction used to diminish resistance to change leaves from the wrong idea according to which fear of punishment is the most important and motivating factor of the human behavior. Unfortunately, this method applied even from the Antiquity is also used in numerous enterprises nowadays.

In order to implement change, specialists assert that managers should act on three plans - strategical, organizational and emotional. On the strategical plan, the important activities in the value chain will be redefined and new credible, realistic and mobilizing objectives will be developed. On the organizational plan, new production and control methods will be found in order to improve the efficacy and quality. All these will be realized by means of emotional engagement, sustained efforts and a good cooperation between the employees, on the motivational plan (see figure 1) [4].

4. Emotional impacts and the change resistance

Changes bring important emotional impacts at individual level, that have to be taken into consideration. The company leaders have to face a high emotional level and to know their collaborators level of confidence variations, over time.

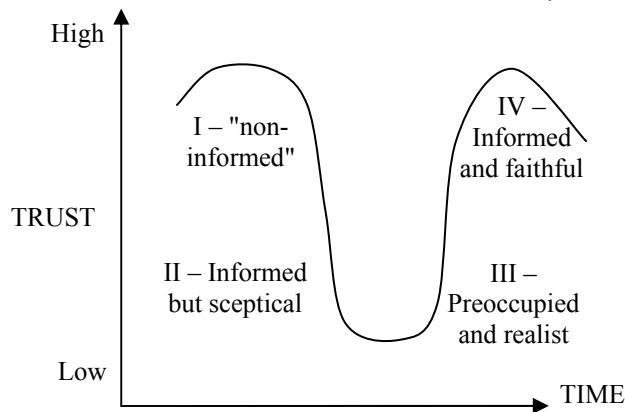


Fig. 2: Time-dependent variation of the employee trust level (adapted from [9]).

Moreover, the managers have to anticipate the fears of their employees, triggered by the changes that are face to. Only the word "change" brings with him the idea of danger together with the opportunity, so the individual conflict at emotional level has to be well managed, by itself as a rational being, and/or by the help of others, as society. This conflict is due to the discrepancy between the fear factor, which is very high, and the opportunity level, that is very low, and which contributes in increasing the fear.

The main fears of the employees are:

- My job will be put into discussion by the change?
- Have I the same power to act as before?
- My identity/status will support some consequences?
- Did my life quality will be affected?
- Did my actual knowledge, experiency are enough?
- I'll be able to adapt myself?
- What if this change will trigger another one? And in which direction?

Taking into account of all this fear factors, trying to answer at all these questions and making the employees confident in the power and the advantages that they will have due to the change, are all very important.

Nevertheless, as in all battles, there are some inevitable losses because of the change, despite of all the presumed advantages:

- The lose of the management credibility after multiple initiatives as MQT, reengineering, restructuring, projects. The risk is high enough if this elements where not well putted into practice. The question that arises in employees heads is, in such a case: “What will be the next “dream” of our bosses?”

- The lose of the job for some of the collaborators;
- The personal situation degradation for other collaborators.

Nobody have ever pass through a change without a decreasing of the number of employees, more work, more responsibility, and, of course, more stress. But generally speaking, the total gains that the change have brings to the company overcomes the losses, and the leaders have to highlight these gains in order to increase the personnel confidence.

There is no society without communication. So, because each person perceptions are the basis of its reality, and we have to put this tiny reality inside the society ones, we realize how important individual perceptions are in this communicational process.

Many scientists consider that the restructurations, the dismissing, different mutations represent affective shocks that, as is the case of family breaks, need some time to become harmless. The employees have to pass over the lose of interesting personnel contacts, of objects, ideas or worst, ideals of habitudes.

For Jean-Louis Roy [9], the hole change, the hole break, brings to light four kind of actors that are involved in the change scenario; those who decide, those who leave, those who come, and those who stay.

This is why there are different kind of sufferings that are waiting to be managed, leades.

In the change acceptance and implementation processes, the company has to pass through two phases: the disorganization phase, where everything apparently falls down, followed by the phase of reorganization/restructuring, where the employee starts to see the light at the end of the tunnel. For the managers, the most difficult period is the first one, so they are often call consultancy specialists from outside the company.

According to Roy, there are two dangers that threat the managers in this phase: the impatience to act and the high risk of crises due to the actions of the veterans inside the company in order to stop the change. In order to reduce this significant risk, the manager have to have a team of experts, and enough experiences and knowledge to bring at its side a maximum number of people from the company to reconstruct, reorganize and restructure, so to put the change in practice.

The second phase, the restructuring one, is characterized by a set of practices, methods, visions that don't have to be communicated at once, but one at its time, in every action and decision. A lot of thinks will be modified, the changes will be placed in the company culture, a lot of references to the new norms and values will be made explicitly.

5. Conclusions

Enterprises should face more and more important and frequent transformations nowadays. These changes, regardless of the causes that determine them, domestic

causes - disfunctionalities or conflicts and foreign causes - the adaptation of the company to the conditions of the natural environment, represent a process which leads the organization towards competitiveness improvement. Today's changes are characterized by rapidity, novelty and complexity. Change problematic cover multiple dimensions of the enterprise – enterprise as a social, technical and financial system. The approach of change from a single viewpoint reduces change management success. Change management depends on the company and its employees' learning capacity. Faster and faster changes imposed by the environment oblige the organizations to be reactive in a very short period of time and to find new and rapid manners of learning. Newly acquired knowledge will modify the views of the managers and their teams on the activities and will contribute to a very solid grounding for the decisions. Thus, they answer to the new mutations in the contemporary society.

Because the world is moving, is changing, the managers have to adapt themselves. They have to identify future evolutions and to prepare their companies to face these future mutations.

From stable functions, with strong roots in a job, the management is now oriented to more reactive functions, always ready to adapt at major evolutions that characterize the modern economies. The main problems start to become the measurements of the performance, the speed of perception of unpredictable mistakes, the speed of putting in practice of the changes, the reducing the costs, realization of a client-oriented structure, the innovation processes management.

Having in mind our natural resistance at change, the continuous increasing of the activities quality implies a different organisation, which is based on knowledge. At its turn, this leads our society to a new culture.

Human nature is changing very low. Our interest in money, consume, power comes clearly to light all over the world. This pushes forward our society development. In the developed countries and companies, there exists the care of the actioneers, clients, but it is also a goal the satisfaction of all the involved actors: personnel in particular, and the society in general.

This nobile finality doesn't stop the competition between the more and more opened markets, by contrary, this makes the competition to become more forceful.

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