ORGANIZATIONAL CHANGE AND CHANGE MANAGEMENT- ADAPTING TO CHANGE IN ORDER TO MAINTAIN ORGANIZATIONAL EFFECTIVENESS

Radu Florea

Faculty of Sociology, University of Bucharest

Abstract
This paper aims to identify the basic aspects that are affected by planned, continuous change in a company's core values, mission, goals and climate. Foreign organizations usually have their own management, whose understanding of the management of people is not calibrated on the principles of other social-cultural areas. Organizations are continually developing, creating new ways to optimize processes, increase satisfaction, improve procedures, etc. All development plans are framed in the field of organizational change- therefore organizations need planned, continuous change in order to grow and develop new strategies for maintaining a competitive approach in the market trends. Romanian society obtained a certain balance in terms of political organization and economic stability which led multinationals emerging with activities in various industries (automotive, construction, pharmaceutical etc). The emergence of these companies and the rapid creation of jobs for many different specializations (at all levels - both those that require no experience and those of specialists in technical fields-) had a great impact on society; the trend of technical profile studies resurfaced - engineering, IT etc. Partnerships we're initiated between universities and companies in order to recruit graduates with the best results different directions being formed and career paths, both for graduates and for senior professionals in an area. New salary levels were redesigned for most organizational positions (production, support and middle management) - and the entire compensation package was recalculated .The differences between state institutions and multinational companies had become increasingly visible. Basically, the fact that workers have possibilities to advance in their carrier and become more independent is an element of social change, a shift to postmodern values.

Key words: *planned change, adapting to change, organizational development*

1. Introduction

Relationships that take place in organizations can make companies be perceived as socio-cultural areas of interactions. We, as social individuals spend a large amount of time at our jobs, thus making workplace environments very important in our lives. We relate to co-workers, we have positive and negative relations with our employers, our supervisors and/or our subordinates; therefore having an optimal organizational climate is essential in order for us to achieve performance at our jobs, and maintain (or develop) our social status. In this sense organizations are an important part of our society not only at an economical level but also for the social aspects that develop inside a company. David Collins posts that organizations are primarily represented by the social interactions that are required in order to achieve a common goal (Collins, 1988). He defines (from a sociological point of view) organizations as systems that are focused on developing societies by ensuring the maintenance of their economic standards, social status and cultural values.

In contemporary society change is a factor as important for understanding, developing and optimizing organizations as leadership, motivation, communication, time management or process mapping. Multinationals which operate in the private sector are the economic foundation of East European societies; they have a very high importance in maintaining the state GDP, providing demand regarding workforce and supplying the capital necessary to improve a certain area's economy. Also, foreign organizations usually have their own management teams that are in charge with implementing organizational transitions when a smaller organization is taken over. Expatriates do not understand the socio-cultural norms that are available in countries with a different structure (at an economical level and also a cultural one). East-European countries adapt to the wave of multinational corporations in a different ways according to the needs that multinationals can meet.

First of all, a takeover (in general sense) implies that a smaller company has to change its core values, norms and procedures in order to adapt to the requirements of the one that takes over. In this sense a multinational company does not try to adapt, and change in order to fit in an existing context but rather tries to change the context entirely for it to be suitable in order for the business to run smoothly. Reasons why multinational organizations expand their factories to East-European countries are focused only on costs; the overall costs for opening a factory in a country which is less developed (from a financial point of view) than western countries are reduced substantially. Therefore western companies can provide the capital needed to develop (and distribute) their main product in a foreign country at a much cheaper cost.

As mentioned previously, taking over a company implies particular changes that are needed to happen instantly but also continuous developing. Organizations are constantly trying to create new ways to optimize processes, increase satisfaction, improve procedures etc. Any development process is framed in the field of organizational change. Multinational organizations, having understood the importance of continuous growth and development apply systems that are focused on constant improvement (a relevant example being Lean Six Sygma, Kaizen or 5-S processes). Change can also be related to other aspects- personnel turnover can increase or decrease a company's market visibility. Repercussions that change may have (both positive and negative) can be related to all the segments that create an organization- in terms of cultural, financial, technological processes etc. Change may have drastic consequences in production departments depending on the triggering factor, amplitude, intensity and duration.

Justifications that planned change may have can be different, and the consequences are not necessarily the ones that were expected. Understanding and optimizing the process of change is viewed in this study as being a key element for an organization to become efficient.

2. Organizational change in contemporary society - conceptualizing change in a dynamic social context

In the Romanian post-communist society, along with obtaining a certain balance in terms of political structure, foreign capital investors have emerged on the Romanian market, representing multinational companies with various production activities. Work positions have been remodeled in order apply to new technologies; compensation packages and performance bonus and benefits, the differences between state institutions and multinational companies has become increasingly visible. Basically, the fact that the horizon of possibilities for workers has been increased represents and element of social change - a shift to postmodern values (Inglehart, 1999). Individual values are changing, with exposure to different working environments in all respects to those of governments or small and medium business employeers.

In taking over smaller local companies, western organizations have made changes in personnel policies and procedures, in adapting training programs, resource management and integration of Romanian workers to the western business approach.

Organizational change is defined by Kurt Lewin as the sum of "changing forces that keep a system in a stable condition " (Cummings , T. Worley , C 2008) , Lewin conceptualized change within a model that , despite being the first one made it is still relevant for contemporary organizations . Perceiving change as a sum of factors, Lewin divides the process into three phases:

- Unlocking the current status: reducing the forces that keep the organization stable

- Changing the current status: apply the desired methods in order to change certain aspects in the organization

- Re - blocking the new status: recognition of new tendencies of the company, encouraging their promotion and integration into the company's culture as positive elements.

The three phase model used by Lewin is one of the most popular forms of representation of organizational change. At a general level, Lewin's model is used in order to describe the company (for

organizational diagnosis) and in order to implement change aspects- in a development perspective. Understanding organizational change as a potential development approach emphasizes the importance that growth can have on maintaining the company (or above) market level. Virtually every modern theory is rooted in Lewin's model, further developed by theorists such as Chris Argyris, Harold Sirkin, Linda Ackerman Anderson, Dean Anderson etc.

Planned change is understood in organizational theories as "running a series of events in order to improve organizational development" (Cummings& Worley 2008). In this sense, change is the process by which development goal is achieved- whether it is a valid target for a team, a line of business or the entire organization. Reaching a goal of development cannot be done only by changing elements Lewin conceptualized as being stable. Setting the basis for new ideas is done by a process with different phases (according to the expected outcome). In 1982 Lawrence Mohr stated that implementing change – in terms of developing the organization in order to achieve performance- cannot be explained only by framing the analysis of all the factors affecting the process (Veen, 2000). This model of conceptualizing change applies to planned, continuous change in accordance with a plan of development "but it turn out to be incomplete for explaining the occurrence of change due to an emergency that can shift the direction of the whole organization. Under this approach change cannot be studied as exhaustively only through the trial of identifying factors that initiate change and those that are affected by it, but also by highlighting that occur between them.

In the paper "Beyond change management: Advanced strategies for today's transformational change" Linda Ackerman Anderson and Dean Anderson divide the change process in catalysts – *drivers*, according to the authors. Considered both triggers and facilitators in the process of change, catalytic elements refer to:

- Environment : factors that may trigger or influence change – social, political, economical etc; or factors within the organization that refer to the environment that may influence the change process
- Market requirements for success, due to changes occurring in the environment, the positioning of the company in the market also needs to be reviewed
- The company's strategy- a central element of change, strategy is the ultimate goal that a company has on the delivery of products/services of high quality. Planned change must be in accordance to the organizational strategy
- Organizational culture- shows how the company's norms, values and customs need to change in order to support to the new tendencies
- The encouraged behavior within the company- collective behavior helps create and shape organizational culture, thus encouraging a different behavior can destabilize the current state, facilitating change
- Collective mentality- it refers to general values promoted in the company. Aligning values to the new standards within a company is an important element in facilitating change. According to Ken Blanchard, aligning values refers to adapting the general principles which guide the company (like fidelity, profit, performance etc.) to the ones that most of the company's employees value

In order for change to have lasting effects and a low degree of resistance, the culture of the organization must be in conformity with the changing process. In understanding an organization's transformation process it's important to note that cultural factors affect every member of the organization (Reale, 2005). Transforming an organization requires changing the operating principles to improve the activities which the workers carry out. In this context, the culture of an organization can be regarded as the sum of behavioral patterns present in the organization. Since these patterns are integrated into the company, any newcomer will have to assimilate them. Richard Reale argues that the cultural perspective of change is one of major interest for the study of change. Reale says that cultural patterns - specific organizations - are some of the issues for which the organization remains in an inert state. Changes in organizations require a joint effort of all coordinates that compose it. According to Chris Argyris an organization that does not have a continuous process of planned change is an organization that cannot perform at its highest. From the theoretical point of view, even if the change is omnipresent in every organization, lack of control over it may lead to critical situations. If

the change does not have a direction, the consequences can be negative due to the fact that deployment of the change process will always be chaotic.

According to Kotter, socio-economic factors that can push companies to a major change - transformation - may be related to changes in the technological level (switch to better technology), international economic integration company standards, changes in the market field, in political regimes , the most obvious example being the changes in a very short period after the communist regime, changes in general due to the possibility of their privatization and capital investments with their own independent state .

Real's force field theory captures differences between forces that facilitate change and resistance forces , factors such as involvement , rational explanation of why the change happens, management support and tolerance of less important mistakes can facilitate the transition to a new typology of operation.

The boundaries of an organization represent stability as it is perceived by its members. Basically, boundaries – formal or informal- represents attest to statements such as "my job is to do the following tasks; from here on, I have no more involvement". Boundaries define organizational performance- they stabilize a company's objectives but at the same time limit its capacities. Although a good checkpoint for process transparency, organization boundaries prove to be an impediment to change, a resistance factor, or rather collectively justification for keeping old habits and ways of working.

As a learning process, organizational change requires understanding, acceptance and familiarity with the new directions by all company members. In other words, learning / familiarity with the elements of change can be regarded as basic substrate in the whole process of change. Structuring learning should be planned and conducted in a fair manner for all the company members.

Learning can be segmented into two parts :

• Structured development: planned learning, company familiarization with new procedures / processes / work rules; oriented development programs / specific trainings carried out in a certain time frame

• Continuous learning by enforcing the changes made; lifelong learning requires the concept of re-blocking the new status mentioned in Lewin 's model; also it involves improving and perfecting lifelong learning change factors to achieve a high performance.

Learning organizations are types of organizations where innovation is the most important policy. Innovative factors may even be considered a primary goal in the hierarchy of organizational objectives- enabling innovation in order to be one step ahead of the competition. Learning organizations are not necessarily oriented toward change, but obviously to accumulate as much knowledge on the specific field of activity that it can contain. This concept is somewhat new in terms of scientific research of organizations. However , it was shown that this type of company brings a new organizational culture formed away from the strictness imposed by traditional systems of hierarchy and division of tasks, for which the results have proved to be better than those of the long termed rigid/static system of organization.

According to Charles Handy, learning organizations are built on the assumption that they can be extremely competent in a long term perspective (Chawla,1994). , We learn that the degree of proficiency in a learning organization is provided by four characteristics:

•*curiosity*- it can provide information on the policies implemented by the competition, new marketing techniques etc.

• *the ability* of managers to overlook minor mistakes of subordinates - which increases reliability and reduces employee turnover.

• *confidence in the team* - team autonomy in decision making leads to a high degree of satisfaction .

• *cohesion of the group* - is basically the conclusion of the three features mentioned above, resulting in a positive climate and a high degree of satisfaction within the company

General justification for the existence of organizational study is to understand their operating mechanisms for predicting the stages of evolution and determine solutions for the occurrence of potential problems in their operational processes; many of the rigor of the study area have not proved useful . Some events cannot be anticipated, and some actions may trigger a chain of reactions that may spread to every level of the company, with serious repercussions. Here we can see the advantage and innovation brought by learning organizations. Given the multitude of variables that turn out to be impossible to control, learning organizations field of study is focused on steady accumulation of knowledge both externally and internally. The problem faced by this type of organization is part of the organizational culture proposed applicability for large organizations, where the lack of a high degree of control can lead to critical situations.

3. A study on the influence of change implied by the takeover of an organization, as it is felt by its workers

This study was conducted on a company which activates in the field of plastic production; recently, it was taken over by a foreign investor, a western multinational company that provides services in the same field of activity. The takeover took place about 18 month previous to this study. The survey questionnaire was applied to all 161 employees of the company with the purpose of revealing what is the degree of satisfaction regarding the new procedures and policies that we're change by the group. The takeover of the old company consisted in changing aspects regarding operational requirements and procedures, adding a new product line and shifting the company's norms and values to a western result oriented approach. The new company went through an organizational climate imbalance due to the transition to a more complex, broader business sector of activity. In carrying out their activities, managers with a high level of seniority in the organization compare the differences between the company's vision and the one of the old company which had local ownership and a different way of operating.

The aim of the study is to highlight the key issues (both positive and negative) regarding the changes that took place along with the takeover of the old company. Also, the study can help in understanding specific aspects that can cause employees to work overtime for achieving performance, or be dissatisfied of the climate in the organization.

The organizational culture key elements and patterns of thinking – at management level - seem to be oriented in three directions according to the survey*:*

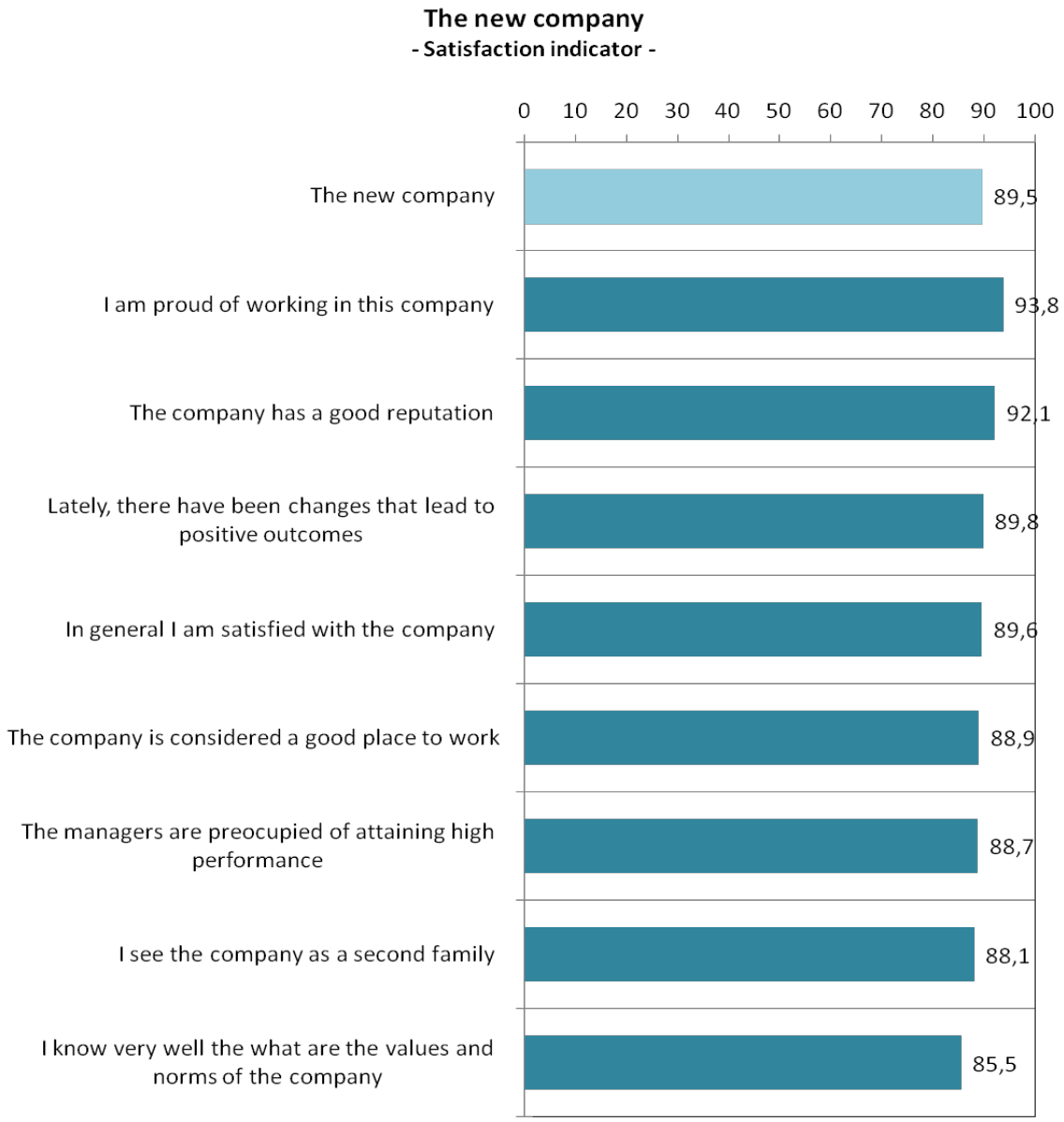
- Organizational commitment- regarding the degree in which employees perceive their own values as being consistent with the vision, mission and corporate objectives of the company. Commitment in the company is influenced by: personal, affective elements- issues of communication and emotional attachment to their involvement in the company; continuity- awareness of the degree in which the new organization can provide stability.
- Improving outcomes- focus on continuous improvement of processes and interest in aligning the company to the group in terms of operational practices and turnover results.
- There is an expressed interest in applying the larger organizational strategy for a long term perspective.
- Creating relationships- implementing the organizational strategy is considered to depend on quality relationships between stakeholders, both internally and in relationships with the Group.

General issues which the study regarded contained elements of the new atmosphere and work climate promoted by management, the relationship with the new supervisors and the way in which workers perceive middle and top management, and company values.

The indicator of satisfaction regarding the changes that were made was calculated through the following formula:

SI *((Sum of responses - Total number of responses) / amount of the difference between the maximum and the minimum value on the scale) * 100* – the scale being of composed by 4 steps.

Graphic 1- aspects regarding the new company

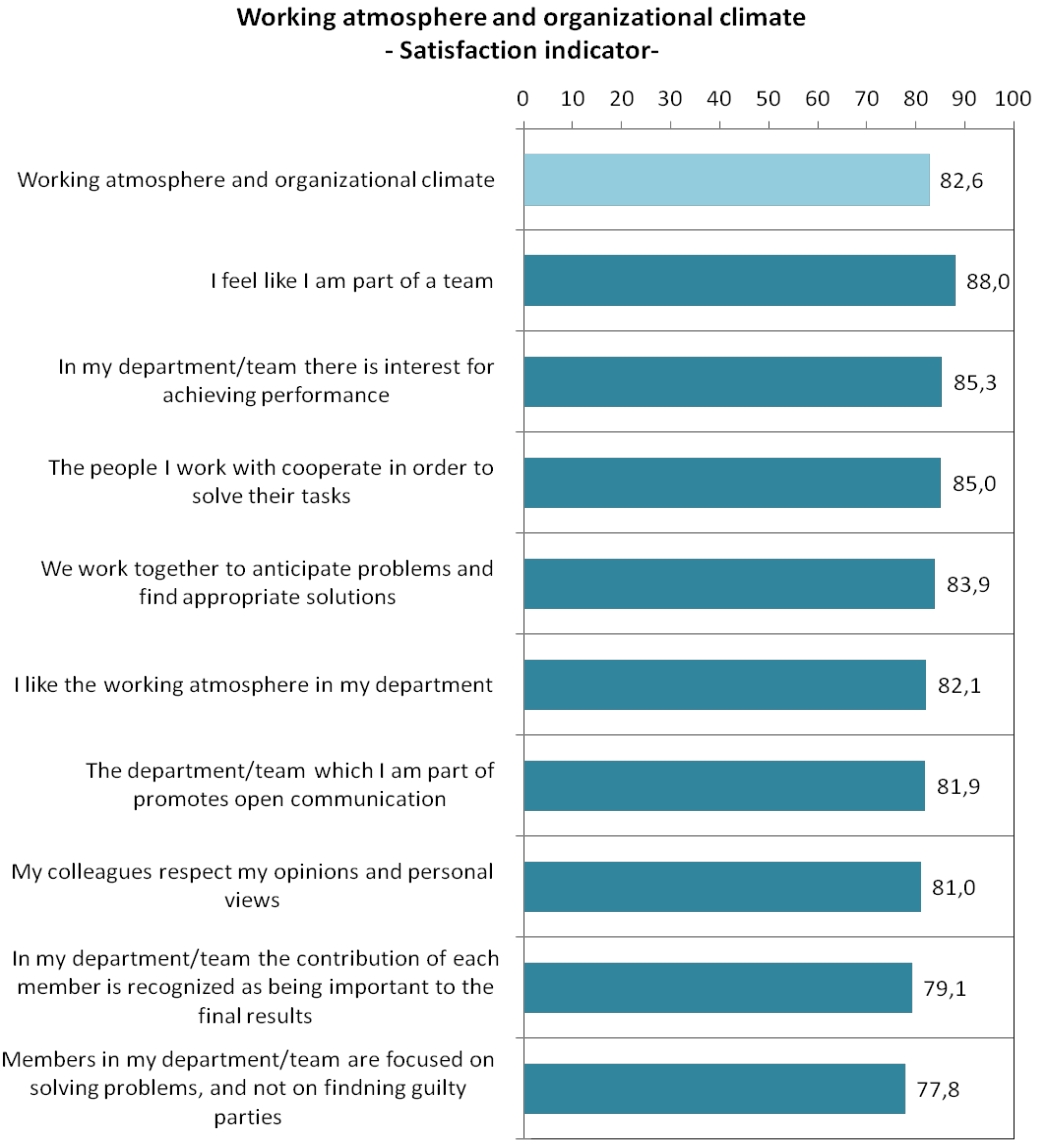


Aspects of the changes in the company are generally seen as being positive by employees. Respondents feel as part of the company the average score of the satisfaction indicator regarding the new company being of 89.5. Respondents appreciate the company because it is a trustworthy place to work at, and because of it having a good reputation in the city in which it is placed.

The fact that the organization is perceived positively in the terms presented in Graphic nr.1 are very important in adapting to operational, commercial and management changes. The degree in which change is experienced is revealed to the satisfaction indicator of general elements that the study shows. A high degree of resistance to change is directly associated with a low degree of satisfaction (and therefore a satisfaction indicator with a lower value). The company is seen as a second family in a very large degree by almost all of its employees. This aspect can assure that transition has the necessary setting to unfold and evolve as it is supposed to. Transparency is another important aspect important for workers that are undergoing a change process in the organization in which they work; the fact that employees fully understand what are the values norms and policies which the company encourages can lead to a better understanding of its mission and general objectives.

Values are understood as general guideline principles that encourage certain behaviors in the company, like fidelity or performance appraisal. All organization (as seen in this paper, business organization that activate in the private business sector) have turnover or return of investment as their main goals. But values are the guidelines that build an organization; takeover of a company usually means that older informal values will be shifted to those of the new organization; making the values stick – from management to execution level- can be a hard endeavor that needs to be treated with serious thought in order to achieve it without costs or risks. People understand that a takeover will shift the way of acting within an organization, but facilitating change in this direction can lead to value alignment which can very well induce performance at all levels.

Graphic 2- aspects regarding working atmosphere and organizational climate in the new company



The working environment needs to be a motivation factor for all employees. A change process will always be noticeable in terms of organizational climate; change affects hierarchical relationships and collaboration in a company. The fact that the average of all aspects studied in this survey is that of 82.6 (on a scale of 0 to 100 points) shows that the work climate and collaboration in the new

organization is well adapted to the requirements of the group and the working atmosphere is perceived in a positive manner by most employees. The lowest scores obtained are for the items which refer to solving problems and not finding guilty parties. Respondents believe that the company does not encourage (in a sufficient manner for their expectancies) treating problems and trying to find solutions instead of guilty parties. Also, the contribution of each member of the team is not perceived as being important for the company- in comparisons to the average score for aspects regarding organizational climate.

The studied factors indicate that a high level of satisfaction regarding elements that have a changed along with the old company's takeover has been achieved. Therefore it can be stated that the company in which the study was conducted has proven capable of facilitating the change process, helping workers integrate and adapt to the new principles and working procedures of the organization. Thus, as an example of process change at a climate level and also regarding company values, norms and procedures, the conducted survey showed data which validate the fact that change can have positive impact if it is well managed.

4. Conclusions

Planned change is a topic of high interest in the current direction in which organizational studies are heading. Organizational change, change management and adaptation to climate change proved to be major issues for the post-transition Romanian society, due to the fact that multinational western companies have a high interest for investing in the country.

This paper sought to show that while the expansion of western organization has had a very positive outcome on foreign South-Eastern economies, there are other factors that need to be taken into consideration in order to understand the impact they can have on certain societies.

The study that was presented in this paper was conducted at a company that is positioned in an area that does not have any local market competitors – as employers-; they stand to be the only company with a high capital that can have a monopoly on the hiring market – in the specific region. There is a high degree of dependence on foreign organizations in certain areas of the country were other local investors do not have the capital necessary to develop a business that can provide workplaces. This factor proves to be very important in reaching a certain degree of stability for the organization; as was presented in this paper, people hold stability as being very important for their professional careers. Organizational change (at all levels) can have the support of employees if they can see a certain degree of stability in what is to come. Stability shows to be the most important aspect of facilitating change and the key trigger for resistance to change. In the current context, stability is thought as being the assurance that employees may have that they can keep their jobs based on the same criteria. The current economic and social context in Romania shows a need for stability that should always be considered when implementing planned change at an organizational level.

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