A Perspective on Organizational Change Issue – Case Study on the Application of Two Change Models

Oliviana BOLD[1]

Abstract

The organization is a social system in which people interact to achieve common goals. We observe an acceleration of change in the value systems worldwide, an adoption of new attitudes, new goals, and aspects leading to rapid change of the society.

To survive and develop, an organization must first know how to anticipate and capitalize on the opportunities and to attenuate or eliminate the vulnerabilities. Second, the organization must demonstrate the ability to effectively manage the change process, from detailed investigation of its past and present. These are the fundamental premises on which the change management is based.

The research and practice of the change management models summarize a basis for understanding the change processes and mechanisms at both organizational and individual levels.

In the following we will present some change management models that may be useful in managing change in economic organizations and whose applicability and implementation proved to be effective for identifying outcomes of change in organizations.

Keywords: *change, change management, models, methods, techniques, organization, development.*

JEL classification:. **M12, M14, M51**

Introduction

In the process of adaptation to organizational change, people are very important; the staff has to change, to acquire new knowledge, to tackle new tasks, to improve the competence, sometimes to change their work habits values and attitudes towards the organization mode; the change can be really effective only if there is a change of attitude. Corporate social responsibility is rapidly becoming an inescapable obligation of doing business today (Dobrea & Găman, 2011).

A considerable attention was given in the literature to the individual models of change and behavioral change itself, but little attention was paid to the models or theories which attempt to understand the changing behavior in groups, organizations and whole communities that require an understanding of how these communities act to work, an identification of barriers and facilitators for change and what influences their behavior in general.

[1] **Oliviana BOLD**, University of Craiova, E-mail: olibold@yahoo.com

The organizations are required by the operating system to make changes and review their relevant market competitiveness, on which the organizations begin to impose new standards and new values. Change is the only constant. The only difficulty is to follow it. (Bold, 2010). One of the prerequisites of organizational change management is that for initiating and implementing successful change is necessary to conduct a complete and systematic process for transforming the organizational realities. For that, the leadership development plays a very important role, being a key factor in the process of organizational transformation that can explain the shift from a competitive level to another one (Radu & Năstase, 2011). Such a process leads to the identification of several issues that serve as indicators of a poor organizational health and on this basis; the settling of the change program guidelines is done.

1. Objectives of the research

Change management models presented in this study describe, each in a specific form, the steps of plan, implementation and maintenance of the changes in the organization. No matter on which of these models applied the change occurs faster, what is important for the managers and members of the organization, is to notify all their influences and work in the process of change.

The need for change is manifested with more force. Most researchers consider that companies, through their programs of change, have to set three priorities: the values or references - strategy, principles of action, culture, values; systems - rules, structures, procedures, information systems and relationship management - behaviors, attitudes and management practices to employees (Constantinescu et al, 2010). This paper assumes that any organization wishing to adapt their external environment and especially to the progress, must accept the change and respond to them in a quick and responsible way.

We identified the following objectives for the research:
- setting goals and defining the future state desired by the organization or changing conditions;
- diagnosing the present conditions of the organization, in relation to the objectives from above;
- defining the activities which assume the transformation process;
- development of the strategies and action plans for managing the transition during the change process;
- ensuring the survival of the company;
- identification of competitive advantages that will set apart the organization from other competing organizations.

2. Methodology

It is widely recognized that the organizations need to change more in almost all fields of activities and on each input material or immaterial. More broadly, the change is any transformation, process, activity, action, system and has

as results the introduction of the "new", in all respects.

We like stability and predictability in our life! Of course, some surprises are welcome, but only the pleasant ones are desired!

The uncertainty provides the salt and pepper of the life, but too much could cause some disfunctionalities! (Năstase & Barbu, 2011).

These models are created to help organizations manage change as they seek to become more sustainable through resource efficiency, and as they take corporate responsibility for the effects of the human resources.

They can also be used as a tool by environmental business support organizations when assisting companies. Much of the advice in this paper is little more than the application of common sense and good management practice, but all too often some of these elements are overlooked.

By taking a systematic approach to implementing change, managers can be more successful in taking staff with them and achieving their objectives. In the most specialists meaning, the produced changes in the environment have to achieve through opportunities that are required to be capitalized and vulnerabilities that are required to be attenuated.

In the following lines are two types of change models that can occur at the organizational level:

> **Lippitt's Model**

Specialists Lippitt, Watson and Westley have created a theory based on seven steps that focus more on the role and responsibility of agents of change than on the progress of change itself. The information is continuously changed during the process. The seven steps are (Kristsonis, 2005):

1. Diagnosis of the problem;
2. Assessment of the motivation and capacity for change;
3. Assessment of resources and motivation for change agents. This includes the commitment to change agent/ manager, power and strength;
4. Choosing progressive change objectives. At this stage, action plans and strategy are established;
5. The role of change agent/ manager must be well defined and clearly understood by all parties, so the expectations to be realistic;
6. Maintaining the change. Communication, feedback and coordination of the group are essential in this stage of change.
7. Quitting gradually change agent roles. This will happen when the change is part of the culture of the organization.
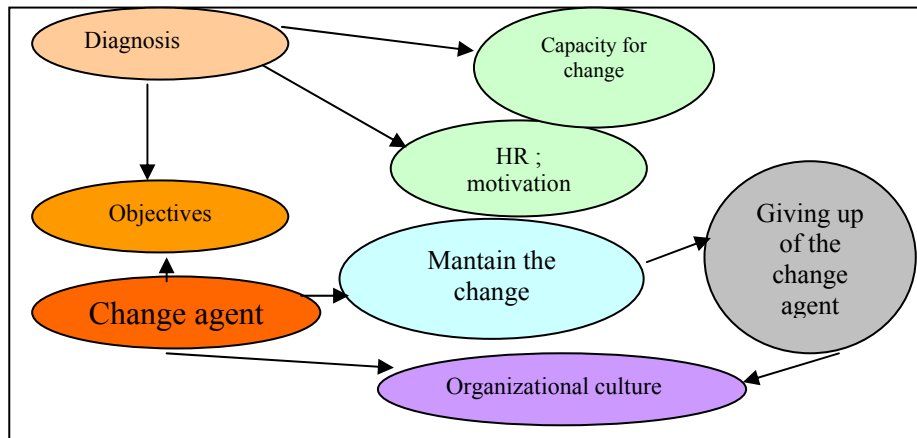
Figure 1. Lippitt's steps for change
Source: Bold O., 2011, p. 76

> ➢ **The Hard System Model of Change**

HSMC is a method created and developed for the configuration and management of a change.

The method provides a rigorous and systematic determination of targets for change. This is followed by the generation of a series of options for action. The last step is to test those options through a set of explicit criteria. The process can be designed as an overlay of three phases (Gheorghe I., nr. 1, 2010):

1. description phase (the description and diagnosis of the situation, understanding the implications, setting goals for change);
2. option phase (generate options for change; selecting the most appropriate options; thinking about what should be done);
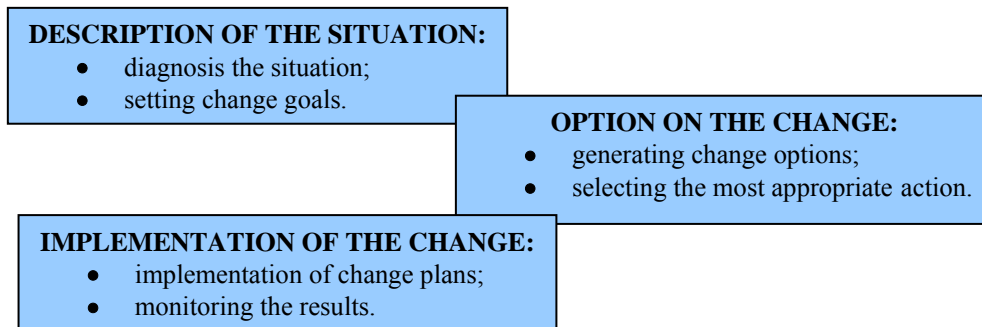3. implementation phase (feasible plans implementation and monitoring results).

DESCRIPTION OF THE SITUATION:
- diagnosis the situation;
- setting change goals.

OPTION ON THE CHANGE:
- generating change options;
- selecting the most appropriate action.

IMPLEMENTATION OF THE CHANGE:
- implementation of change plans;
- monitoring the results.

Figure 2 HSMC Model - Change stages
Source: Gheorghe I., nr. 1/2010

During those phases, a number of stages are identified:

Table 1 The description of the HSMC Change Model

Phase	Stage	Allocated actions to each stage
Description	1. summarizing the situation	* recognition of the need for change, either for solving a problem or an opportunity for exploitation;
		* testing the others vision on the need for change; creating a favorable culture for change;
		* identifying the proper strategies to change * using of the proper diagnostic techniques;
	2. identification of objectives and constraints	* setting goals for the interest systems;
		* identifying constraints in achieving objectives; * anticipation of resistance;
	3. identify performance measures	* decision on how the objectives can be measured;
Options	4. generation of the options	* developing ideas to change the options to achieve clear objectives;
		* considering a wide range of possibilities; identifying, manage and resolve the conflicts, in order to have more options to change;
	5. editing and detailing the options	* description of the most promising options in the relevant details;
		* the description must me clear, concise and relevant;
	6. options assessment versus action	* performance evaluation for selected options versus criteria for performance from Step 3;
Implementation	7. development of the implementation strategies	* selecting preferred options and planning how to implement them;
	8. development of planned changes	* involvement of both managers and employees;
		* allocation of responsibilities; monitoring progress

Adaptation after: Gheorghe I., nr. 1/2010

3. Analysis

We used two questionnaires on a lot of 152 people, who are working in SMEs. Of the 152 subjects, 50 are managers and the rest are employed.

➤ For the application of Lippitt's Model we used Questionnaire no.1 named "Evaluation of the organizational development", comprising a set of 60 statements that describe details of the organization and manager.

We chose this questionnaire because it analyzes the business and the position of the company. In this way, it's easier to identify the strengths, the challenges, the threats or the opportunities. The signs of change are visible; it depends on everyone to interpret them. Therefore it is extremely important to continuously monitor the business environment in which the firm operates.

The questionnaire will be passed through and that best current situation will be checked on the score sheet statements. At the end of the questionnaire the check marks will be added up. The column which is closest to scoring, will describe the company's development stage (Seddon J, 2008, p.98).

This questionnaire is a tool for organizational development application for Lippitt's model, which focuses more on the role and responsibility of the agents of change than the progress of change itself.
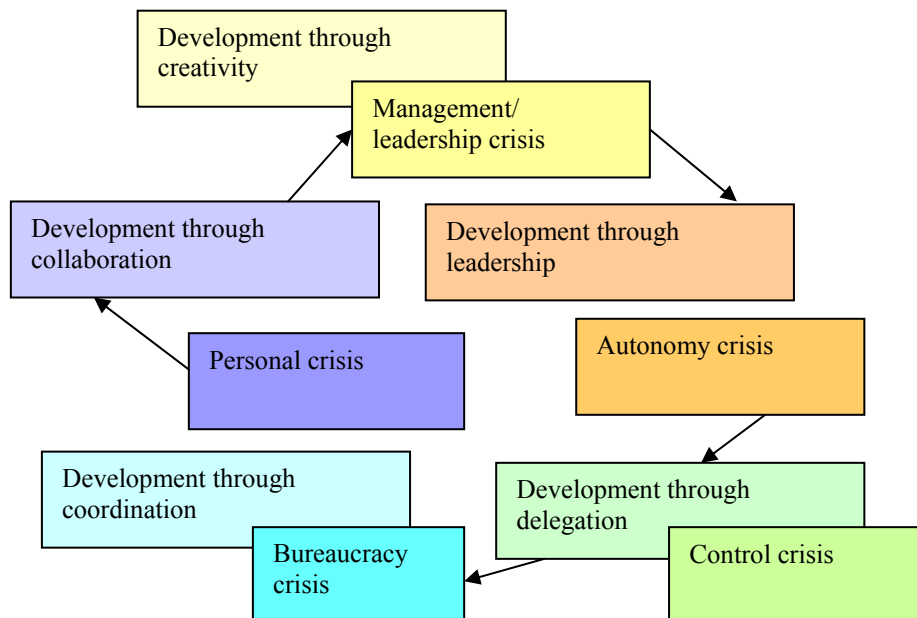

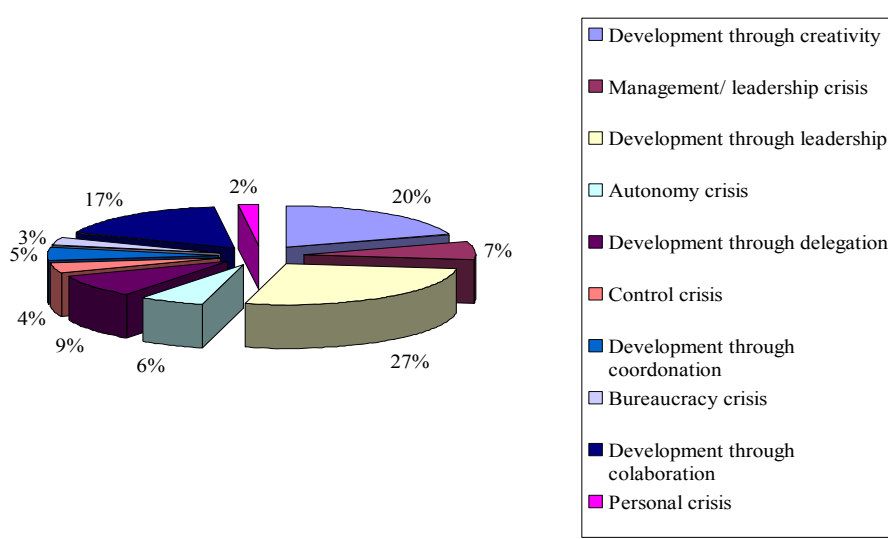**Figure 3 Organizational evaluation through development types**

Figure 4 Organizational Development

After analyzing the responses of the subjects, it follows that:

- **20%** of respondents considered that the relationship between manager and organization is based on creativity. This means that personal initiative is encouraged, the emphasis is on sales and production, staff trusts the organization, and the vision of the manager for increased productivity within an efficient organization, is based on the knowledge of the market, on the cooperation with the customers and their as high satisfaction, upon request;

- **7%** of those surveyed believe that at this time, their companies are in a management crisis: managers are overworked and are not efficient; there is too little guidance, involvement; work atmosphere is tense, which shows tendency to increase conflict and productivity and the results are becoming weaker;

- **27%** is the percentage that most subjects came under; the organizations have an organizational structure characterized by leadership development, function, centralized, based on specialization, which emphasizes streamlining activities undertaken. The staff is disciplined and supports the organization and the management;

- **6%** of those who completed the questionnaire stated that their organization is in a crisis of autonomy, characterized by a lack of flexibility in decisions, a lack of vertical and horizontal communication, a lack of motivation of human resources, a lack of delegation, management weak, not properly evaluate staff performance and discretion granted to persons not capable of this;

- **9%** consider that the development by delegation is a characteristic of the organizations to which they belong. These organizations have a decentralized structure, with targets consisting of expanding markets and using management by exception. The management expects the staff to carry out the work and has the pronounced trend to use the delegation of authority;
- **4%** of those involved believe they are in a crisis of control. Managers feel they lose control of the companies, no longer have authority; the staff has too much freedom of action and in this way organizations are decentralized, the need for better coordination of activities is aggravated;
- **5%** of the respondents say that they belong to organizations which operate by coordination and consolidation. The staff is working to elaborate programs for managers; each product represents an investment hub, while the management prefers to watch rather than to guide;
- **3%** came under the bureaucracy crisis, characterized by: a lack of a motivating work environment, without good mood and enthusiasm; the staff is working by rigid rules; a lack of collaboration in teams; authoritarian managers; long time to solve problems; delayed response to emergence of new situations and solving; critical strong bureaucratic system;
- **17%** believe that the organization they belong to is developed through collaboration, in the sense that management is focused on finding fast and effective solutions; the teamwork is supported and the concrete establishment of the activities and tasks; there is a strong advisory from the managers; the conflicts are constructive and settled immediately;
- **2%** of respondents believe that their organizations are in a personal crisis. This is manifested on the one hand by the strong encouraging on the teamwork and on the other hand, the dependence on group decisions. Also, there is an ineffective time management; the creative application creates pressure and all attempts to fix a positive, open attitude, are blocked.

The subjects with the highest percentage view the change as the essence of business development - it is inevitable. Organizations have realized that the success of the past no longer guarantees survival in the future and the past no longer predicts the future. A new future must be outlined. Companies across stages of evolution and revolution expected to turn in each stage and will go bankrupt. Change is continuous, there is no end point. But at least we can anticipate and prepare projects to meet the challenges of each stage of development. Change is both an opportunity and a threat, it can be an incentive. The starting point for managers involved in change management is to work with their team to identify environmental requirements.

For those who came under the lowest percentages it is not aware the fact that the stability is an illusion. Because the pace of change increased in the last decade, it involves the external environmental pressures and the rapid change affects all aspects of organizational life. But they do not deal with the current environment and the current changes. Therefore, the results are minimal.

The productivity is low, efficiency is minimal, there is a less interest and motivation is lacking. These organizations must quickly identify the transformations experienced by the market and by the environment, because they constitute some of the secrets of survival and development. But now, change approach has also become a key competitive advantage, because only by directing the employees to embrace change quickly, the organization can hope to respond to market pressures before the modification of the context. The starting point in dealing with the change is to help everyone to understand its necessity.

As a conclusion of the situations outlined above, we sketched a graph that describes the direct connection and interdependence between the attitude and the strong reaction to change and productivity.
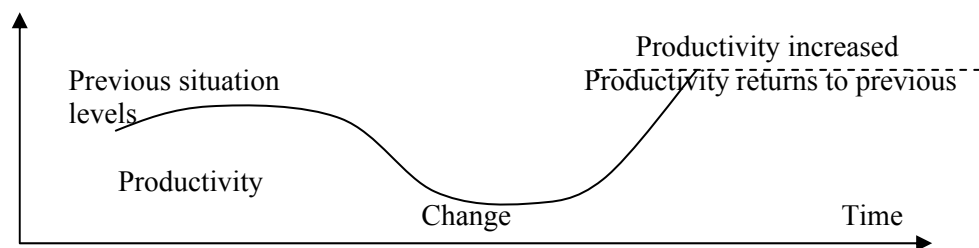
Graph 1 The graph regarding the productivity diagram in the process of change

For the application of HSMC, we used Questionnaire no.2, named "Evaluation of the change process", which revealed the following data:
▪ starting from the fact that we can not change a part of a whole, without changing the entire assembly, in a change process, the coordination between activities is essential (Nikora O., 2010, p.73).
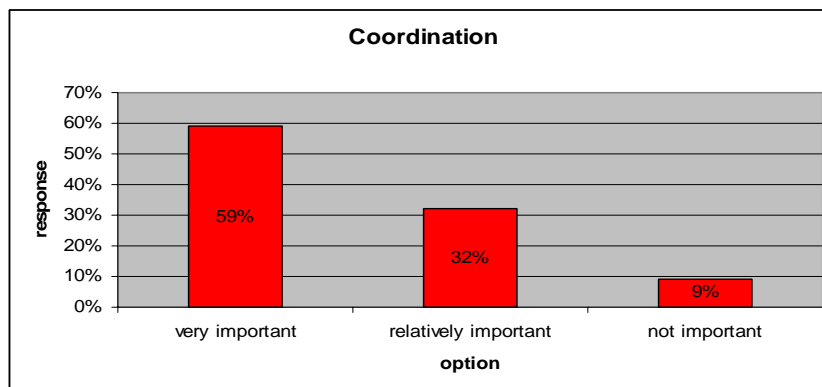

Figure 5 The importance of coordination between all branches of the organization

Quantitative data analysis of the respondents has shown that 59% of them affirm that coordination of the activities is very important to implement change initiatives. This can naturally be expected, because to ensure that change will fill all the levels of organization, it must be coordinated through all aspects. This recognizes the importance of interrelationships in an organizational setting; the people who came under this percentage are oriented through finding solutions, are sensitive to the environment and believe that the change is synonymous with development, performance and progress; which lends to the idea that it is in fact such personal and social interactions between organizational members that creates patterns of change.

32% of the respondents think that the coordination of all activities and levels are "relatively important" and 9% affirm that is not important at all. These are the people who are not involved in the development of the organization, are people who put out the gear. They are rigid; they don't like changes and take some time and effort to transform. Creating a culture of change implies the modification in daily working modes and not in just side activities. Before developing a plan for change, it is necessary to create both awareness of the organization on the need to change and receptivity to it (Bold O., 2010, p.106).

Based on the above issues, we identified seven interdependent variables that mutually interrelated: manager, personnel, tasks, technology, structure, environment and strategy.
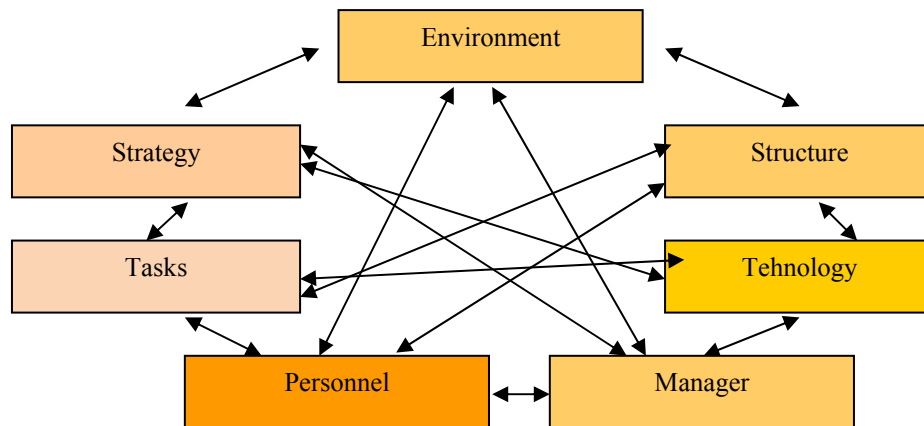

Figure 6 The interrelated variables
Adaptation after: Burduş E., 2008, p. 41

Because of the interdependence, any change made on one of the variables involves changes in one or all other variables. For example, a change in the environment causes a transformation on organizational structure, which may cause a change in the organization's strategy, which in turn implies a change in manager and personnel, leading to a reconsideration of the tasks they perform. Through their lifetime, organizations cross different stages, which have certain characteristics that influence and are influenced by organizational culture. The mechanisms to change

the organizational culture are in correlation with the organization stages of life (Năstase, 2008).

Conclusions

To maintain an organization in an efficient working and increased performance it is necessary to adapt to changes occurring in the external environment in which they operate.

From the issues presented in this paper we can affirm that change management is generally guided by several intentions or goals:

o a set of skills, techniques and disciplines through the complexity and specialization are transformed into actions and results through the organization;

o adoption of change management models is a difficult but necessary;

o define the change that is to explore, analyze and understand a change situation in the context of an organization to find and evaluate possible solutions;

o implementation of change that is to apply the transformation in the organization according to the chosen strategy;

o strengthening change that guarantees change assimilation by the organization.

After analyzing the models presented in this report, regardless of their similarities or differences, the following items of content that characterizes every organization in its way to achieve a transformation process aimed at:

- Cultural values of the organization - an organization's value system depends on the strategic mission and beliefs of those of its members. If the strategic mission is not well understood and accepted by all members of the organization, then any change will attract opponents who do not share the same cultural values. A strategy is required to change the basic; the tasks, responsibilities and competences must be very strong described.

- Human resources: external factors - that enable organizational change, internal factors - that supports change, who are a part of customers / beneficiaries of the change - because they are the ones who will benefit from the proposed change are the beneficiaries of change, and on the other side part actors is changing - because there are people involved in change, and on which the change has any implications;

- Transformation - The transformation process itself, modification of the current situation in a future. The process of change must be planned with regard to the scale of time, steps to go, financial, material and human resources to achieve it;

- Environmental change - instead of changing context in which form the environment change. Environmental assessment of the factors that influence change within the organization is not only necessary but is practically mandatory for managers.

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