

METHODS OF IDENTIFICATION OF THE NEED FOR ORGANIZATIONAL CHANGE AS BEING OPPORTUNE

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Given that the world is constantly changing and the speed at which these changes occur is very fast, it's vital that organizations understand the necessity and opportunity of change, before their results or performance start to decrease. Although we always hear everybody speaking about change, this concept still raises many questions and problems, and the managers have difficulties on identifying what changes should be made in their organizations, in developing an action plan to achieve change and to manage the entire process of change. Without changing and without always adapting to new market requirements, which as a result of the process of globalization includes not only the local market but also the international one, organizations will not survive and will not be effective and efficient in order to achieve performance.

The purpose of this paper is to highlight the importance of the opportune identification of changes in order to reach the success of any organization by presenting how to recognize them by managers or by owners in order to manage efficiently the scarce resources and achieve better long term results. To identify the need for change as being opportune is recommended an environmental analysis based on internal and external factors, to see the influence that they show so that the organization could achieve those reactive changes, which consist in adapting to the environment, or contrary to promote proactive changes that make the organization to influence the environment and not vice versa.

No matter what kind of change takes place in an organization is important to note that it needs to attract with it an improvement, so that top managers, who have a much clearer vision of the organization as a whole, must promote only those changes that lead to better results than those recorded before starting the process of change.

Key words: organizational change, opportunity of the need of change, change process, internal factors, external factors

JEL Classification: M10

The opportunity of the need of change

The release of the process of organizational change occurs when managers or owners of an organization identify the existence of opportunities leading to improved business processes, or when things go bad and there are various problems in the organization.

In the first case in which the change comes after the identification of possible ways to improve the activities of the company, whether it is the whole organization, or just a specific department or group of people, we are talking about proactive change through which the organization is trying to influence the environment in which it operates.

The proactive change is the surest and the most rapid path to success, progress and performance, but at the same time the most difficult because not all managers are willing to create and innovate when things in the organizations that they manage go well.

Thereby the most important role in making proactive changes is accomplished by top managers or owners of the organization that by launching a new product or designing a new manufacturing technology are able to generate changes in consumer behavior and able to achieve a competitive advantage over competitors.

The second situation in which the change takes place is also the most common in practice, the majority of managers calling to change only when things go wrong in their organizations or show signs of worsening.

In this case we are speaking about the reactive change that helps the organization to adapt to the influence of the environment, due to increased competition, depletion of resources, technological development, etc.

The problem that occurs in this case is that managers often don't have enough time to implement such a change, because they are frequently hit by the resistance of employees, so the results obtained after the change are not the best.

Depending on the seriousness of the situation and the speed with which events took place outside the company, managers must identify the most appropriate changes for their organizations and act swiftly and decisively, even if sometimes it means creating a state of tension and uncertainty within the organization. Once the crisis is resolved, it is recommended that the initiators of the change explain to those affected by that change, why such drastic measures were taken in such a very short time, in order to gain their confidence and make them feel comfortable with the change, thus reducing any form of resistance.

To identify the need for change as being opportune managers should carefully consider the internal and external environment of the organization and to form a more realistic view of the influences manifested by it, because as Rosabeth Moss Kanter stated, "*Organizational change is not stimulated by pressure from the environment, resulting in a set of problems that trigger an automatic reply, but the perception of key actors on the environment.*"

Methods of identification of the need for organizational change as being opportune

There are many cases where even though the environment has expressed strong influence on organizations, they had no response because their managers did not know how to identify those reactive changes.

Whether we talk about proactive or reactive changes, it is important to emphasize that a change needs to attract with it an improvement, so that managers must answer three basic questions before starting any process of change:

- What to change?
- When to change?
- How to change?

What to change?

To answer this question managers can call upon a consulting firm or they can find the answer themselves together with their employees.

If calling for a consulting firm managers can obtain an opinion from specialists with relevant experience who have an accurate perception on the environment but the associated costs will be significant.

If the organization has the necessary resources, it is recommended for managers and employees to find answers to this question, based on identifying the factors that generate change, the analysis of their mechanism of action, the current state of the organization and future influences manifested by the environment.

When to change?

The answer to this question is very simple: as soon as possible!

Once the managers have found the answer to the first question "what to change" they should take those actions to implement the changes as quickly as possible, but not before considering whether they are indeed appropriate and realistic, with visible results.

The actions to be undertaken will be part of an action plan that aims to show how the change will be made, a detailed description of each action, their sequence in time, the responsible persons, the resources and the outcomes.

How to change?

In order to answer this question many models of organizational change were developed, one of them belonging to the German psychologist Kurt Lewin, who argues that organizational change involves three steps:

1. Unfreeze

This is probably the most important step because it refers to how organizations are preparing for change, identifying the pros and cons and the motivation to go further.

2. Change

Change is not an event but a process, so this stage corresponds to a state of transition from the initial state to the future one where changes have occurred. Here takes place the implementation of the action plan and the reduction of the resistance manifested by the organization's employees.

3. Freeze (or refreeze)

After the change occurred and reached the required status, new processes, behaviors and attitudes should be made permanent so that desired results are achieved and the progress is recorded.

Factors that generate the need for change

The need for change is generated by the action of internal and external environment, characterized by a number of factors that affect differently the organizations, depending on the specifics of their business, their size, their organizational culture, etc.

In the category of the internal factors that may cause the need for change we have:

- *the company's employees*, who often have a hostile attitude towards change and show resistance especially because they are not consulted regarding this process, so it is important that the initiators of change clearly explain why change is beneficial to the organization and try to involve them as much as possible;

- *the organizational structure*, the more rigid, the more the power is centralized and does not apply the principle of delegation and there are many rules, procedures and regulations, the more difficult is to change. An organic type structure, which focuses on delegation, experience and informal relationships allows an easier implementation of the changes, considering them appropriate and even necessary;

- *the informational system*, the efficient movement of accurate, complete and timely information promotes the change because each member can form an accurate picture of the existing problems in the organization, identifying the opportune changes to address those issues;

- *the quality of management*, decisions taken in the organization can foster a change process if managers have a favorable attitude toward change, the practiced style of management could also encourage creativity so the change as well - in the case of democratic and consultative management, or rather can lead to coercion - autocratic management. The manager's decisions also affect the organization's strategy which can also lead to a series of changes or limit their number;

- *the organizational culture*, is the most difficult variable that can be changed so where there is a pro change culture within the organization, the resistance manifested by members will be much reduced or even zero, which will identify the need for change as being appropriate.

External factors are different and generally include:

- *economic factors*;

They can include the internal and international market, the purchasing power of consumers, the degree of economic development, the infrastructure etc.

These factors show a significant influence because the changes made by firms, particularly those related to upgrade its product mix, primarily depend on current market demand and consumer purchasing power, in condition of the intensification of competition. The development of the economy has a direct impact on imports and exports, infrastructure, on the financial potential and on investments. Organizations operating in highly developed countries are able to identify more quickly the opportunities and have many available resources, unlike other less efficient economies organizations.

For many of the factors included in this category, organizations can adopt only reactive changes, but there are also cases in which they can promote proactive changes, especially when it comes to creating certain needs through the launch of revolutionary products that lead to increased exports, and hence demand.

- *political factors*;

The policy of a country can attract foreign investors and facilitate cooperation with other international bodies, which will lead to some major changes as a result of increased competition and alignment of the directives and legislation of those bodies.

When it comes to these factors, organizations can generally perform only those reactive changes, without being able to express any influence.

- *legislative factors*;

These factors are closely related to the political ones and generally include all laws, ordinances, resolutions, etc. within a country. The organizations are obliged to respect the law of the country where they operate and to pay some taxes, contributions, most of them being unfavorable, so the smallest legislative change attracts itself a number of changes in firms. To deal with all the legislative changes, it is necessary a correct and complete information so that organizations can benefit from certain facilities and programs that support business development. Just as in the case of political factors, organizations have little influence over legislative factors, resulted in changes made by adopting a reactive behavior.

- *technical and technological factors*;

In this category we have: the technical level of equipment available on the market, the number of licenses, patents, trademarks, know-how. The technological changes are probably the most frequently encountered and their pace is very fast due to continues fights that organizations have in order to achieve a sustainable competitive advantage that ensures customer loyalty, market share growth, sales and profits. Without change, innovation and updating the technologies they use, organizations can't keep up with what is happening on the market and will not become effective. An up-to-date technology allows the costs reduction and better use of resources leading to increased performance.

Adapting to existing technology requires a continuous reactive behavior, but if we talk about proactive change, the organizations that are investing large sums of money in research and development to develop new technologies, in order to use or sell them to other interested organizations, have a much higher performance and profit because they are able to identify and use the opportunities offered by science.

- *management factors*;

National economic strategy, mechanisms for coordination and control of firms, methods and management science techniques have also an important role in making changes because organizations must comply with certain rules and principles for organizing and their managers should be open regarding the application of methods that provide effective leadership, with visible results.

- *socio-cultural factors*;

Socio-cultural factors including customs, mentality, tradition, health care, culture, science and education also induce some changes in terms of employee attitudes toward work, the staff's

degree of specialization and even on the products offered by companies as a result of the change in consumer's preferences and behavior.

- *demographic factors*;

The population number, its structure by age, sex, occupation, rural and urban areas, life expectancy, population growth, influence organizations that according to their field of activity, location and size are forced to do a number of changes to adapt to the specific area that they operate, because each market segment has different needs and requirements, so the standardization of products and services is not always recommended. Another issue that organizations must take into account is the degree of expertise and skills existing within a given region to assess whether certain changes are necessary in this regard (for example retraining).

- *ecological factors*;

Organic or natural factors are represented by water, soil, subsoil, vegetation and climate. Environmental protection is increasingly important given that the world's population is more numerous, and the degree of pollution is increasing, so the organizations are required to make those changes that lead to reducing carbon emissions, waste resulted after the process of production and increasing recycling.

More and more organizations adopt a policy on social responsibility and sustainable development, making major investments that lead to changes in terms of manufacturing technology, used materials, production processes, etc.

Another problem relates to the scarcity of natural resources that also require changes and investments in research in order to identify alternative sources of energy or materials to replace some scarce resource.

In order to identify correctly the influences of these factors, organizations have various tools that allow a thorough review of the status and future trends, the most commonly used being the SWOT analysis. This allows the identification of weaknesses and strengths from the internal environment and extends to an external environment analysis, identifying key opportunities and threats.

Due to the ease with which it can be applied many managers resort to such an analysis to identify necessary changes to ensure the transformation of weaknesses into strengths by using existing opportunities from the external environment, or to strengthen those strengths in order to maintain the competitive advantage.

Conclusions

The need for change must be associated primarily with the need for survival and later with the organization's efficiency and competitiveness because there is a direct relationship between the two so without awareness of the need for change, managers can not ensure long-term maintenance of the organization's results and much less won't be able to ensure their growth, and this will lead to regress and even bankruptcy.

Identifying the need for change as being appropriate for the organization depends primarily on the interest shown by managers, who on the basis of information obtained from a diagnosis of the environment, must take the necessary measures to conduct the change process. There are many cases in which managers are not interested in change, mainly because there are no problems in their organizations, and the results are good, but as we previously stated the change should not be a result of deficiencies in the implementation of business processes. Another situation is where managers are overwhelmed by the speed of changes taking place around them and abandon the idea of change, motivating this by the fact that even if they would change anything, this effort will be in vain because the necessary time for a change is usually longer, or because they don't have resources.

Both cases correspond to a passive behavior that leads to a negative attitude of strong resistance to change.

Whatever justification is found, the fact is that without an adaptation to change, an organization won't be able to survive and to expand, so it is essential for any manager to identify on time the need for change that will lead to the success of his business.

The method of identifying the need of change as being opportune is the environment's analysis that allows a clear down of the current situation of the organization and allows identifying the necessary steps that have to be followed in order to make the changes that will lead to performance.

Not all factors manifest their influence with the same intensity, so it is important for managers to first identify those key factors, with the highest power of action and then to focus their attention on factors less influential.

The potential changes identified from this analysis must be carefully studied and correlated with the resources and the particularities of the organization, establishing a hierarchy and then move on to their implementation because of the quality of this stage is depending the success of the organizational change process.

Acknowledgments

This work was cofinanced from the European Social Fund through Sectorial Operational Programme Human Resources Development 2007-2013, project number POSDRU/107/1.5/S/77213,, Ph.D. for a career in interdisciplinary economic research at the European standards" (DOCCENT).

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