

Available online at www.sciencedirect.com**ScienceDirect**

Procedia Economics and Finance 6 (2013) 414 – 417

Procedia
Economics and Finance

www.elsevier.com/locate/procedia

International Economic Conference of Sibiu 2013 Post Crisis Economy: Challenges and Opportunities, IECS 2013

Change - Dominant Characteristic of the 21st Century and Essential Factor for Organizational Success

Ramona Todericiu^a, Lucia Mariana Fraticiu^a, Blanca Grama^{b*}

^aFaculty of Economic Sciences, "Lucian Blaga" University, Sibiu, Romania

^bFaculty of Social and Human Sciences, "Lucian Blaga" University of Sibiu, Romania

Abstract

This paper aims to bring to the forefront change, because it is known that this dominant characteristic of the third millennium has a major impact on the business world, on organizations and on management. In this context, the organizations of the future are changing organizations, they are organizations whose managers have understood the necessity of implementing change and have accepted without reserve the reality that progress requires change.

© 2013 The Authors. Published by Elsevier B.V. Open access under [CC BY-NC-ND license](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Selection and peer-review under responsibility of Faculty of Economic Sciences, Lucian Blaga University of Sibiu.

Keywords: strategic advantage; competitiveness; change management.

1. Introduction

It is righteously believed that the only constant of the contemporary world is change. And many scientific papers have been written, especially in the past decade, starting from this obvious reality of our days, which is change, a reality that is becoming since the beginning of the century and millennium, more and more profound, radical and accelerated, marking the evolution of our society. Thus, not only economists, but also specialists from other fields of research, have analyzed the issue of organizational change.

* Corresponding author.

E-mail address: ramona.todericiu@ulbsibiu.ro

Change has become omnipresent, on all levels: the daily life of the individual, life within organizations and living inside the society. In the modern society, change is the equivalent of "a new living style". Change itself is not something new, because it has been a characteristic of the very existence of mankind. What differs today, however, is the accelerated rhythm of change, which forces people and organizations to face permanent transformations in all the fields of their activity, thus needing to react promptly in order to survive. Keeping track with the fast rhythm of change represents one of the biggest challenges for the managers of the 21st century. The transformations of the third millennium have consequences on all entities, not only on profit oriented companies, but also on governmental and nongovernmental organizations, public institutions. These entities represent systems under constant change, whose self-adjustment is done through management. The universality of management is an irrefutable reality. Management is much more necessary in not-for-profit systems, which do not have the self-adjustment means called profit and value. More than 90% of the people are working for somebody or something, a context which makes change an important reality for all of us.

Nowadays, approaching change has become a key element of competitive advantage, since the starting point of this approach resides in helping the human resource understand the necessity of change. We do not have only to mitigate change nowadays, but also to create it, and in a fast pace. "The best way to predict future is to believe it", as Peter Drucker, the father of modern management, believed. The companies that go through predictable cycles of evolution and revolution must transform within the same stage, or they will face bankruptcy.

In the specialized literature (Burduş; Căprărescu; Androniceanu; Miles, 2000, p.28), change is defined as the replacement, modification, transformation or transposition into shape and/or content of an object, product, work, service, activity or process, towards which the management of the company should have a positive attitude.

Other authors (Predișcan, 2001, p.14) claim that "...organizational change represents the action, a set of actions, a process, which results in changing, partially or completely transforming an organization, its components or processes, allowing for the transit from the present state to a desired future state, which differs quantitatively or qualitatively from the previous one. The aim of organizational change is the installation of a new state in the place of the present one".

One of the important representatives of Romanian modern management (Bogdan, 2007, p.79), in the approach of the relationship between change and knowledge, shows that change increases the necessity, volume and structure of knowledge, and the obtained knowledge generate new changes, because the two phenomena are under constant interconnectivity. Change emphasizes innovation, but, at the same time, emphasizes uncertainty and risk. Revival, compressing the uncertainty, managing risk can only be done through the accumulation of knowledge.

The largest problems that the contemporary world is now facing have occurred, as specialists in time management claim, due to the fact that speed has been a priority in the detriment of aim, which resulted in the frequent and fast following of wrong targets, wasting of time and other important resources. It is said that mankind does not need a clock, but it rather needs a compass. No arguments are necessary to understand that the compass means more knowledge.

Regardless the fact that change is reactive or proactive, natural or planned, demanded, participative or negotiated, incremental or radical, strategic, technological, structural or only at the level of the employees, the role of the human resource in the process of organizational change is vital (Bibu et al, 2008, p. 268-272). Therefore, the process of organizational change is determined by the human resource of the organization, and is being instrumented still by the human resource itself, because people are, in the same time, object and subject of change. Each of the employees of the organization must adopt a positive attitude towards change, starting from the premise that change can represent a bridge towards a beneficial evolution. We all have the ability to change ourselves and to help, in one way or the other, the ones that we are interacting with to change.

The starting point of the process of change must be represented by the analysis of the business environment, of its key elements: shareholders, clients, competition, suppliers, employees, technology, economic, social and political trends, which evolve rapidly and undergo transformations: clients become competition, suppliers become partners, the competition forms mixed societies, employees become clients, suppliers or competition (Clarke, 2002, p. 12-13). However, out of all the change being produced under the influence of the external environment of the organization, the most significant ones are the ones that are aimed at globalization, the technology society and innovations in management (Olaru, 2004, p.14)

As for the levels at which change operates, they are numerous. For example, the introduction of new products, or the search for new markets, are the catalyst of changing objectives and strategies. Moreover, the unprecedented technological progress, which we have been witnessing in the past decades, create change at the level of technology.

The essential objectives of change are aimed at:

- employing knowledge regarding the tools products, processes, work design and even knowledge itself;
- creating organizational cultures that would facilitate the fast assimilation of change. culture is the element that shapes the identity of the organization, determines its personality and, to a certain extent, its destiny. Successful companies benefit from a strong organizational culture, which individualizes them. The culture of the company is the starting point in defining the long term strategy and has influence on the management style, influencing, to a certain extent, the behaviour of the employees. This is why its importance cannot be neglected when a change is being taken into consideration. An organization whose culture does not support change of any kind, will run higher expenses for implementing change than any other organization. The chances of success are, also, smaller;
- creating a new type of management, able to anticipate, in due time, the necessity of change, to make aware the collaborators of the necessity of change and implement it fast, with maximum results, adapting to the existing and future conditions;
- transforming advantages in something useful, and weakness into something neutral;
- obtaining strategic advantage;
- client orientation. Nowadays, it is obvious that any investment of the company in the relationship with the client is a long term investment, one that requires constant supervision, in order to identify in due time the necessary change in an organization regarding client orientation. We must emphasize that in this complex task of client orientation, the organizational culture of the company has an absolute role;
- the transit from organizing the activities according to operations, to the organization on business processes.

The American specialist, Peter Drucker (2004; p.81) claims that the managers of the future must see change as an opportunity and also as a threat. The great scientist mentions that "if you start to consider change as a threat, you will never innovate anything. It is important to not deny something just because it is not in our plans. More often, unpredictability is the best source of innovation".

In order to survive and to succeed, all organizations need to become an agent of change; the most efficient way of managing change is to determine it. It is necessary to take advantage of success, especially the unexpected one. Innovation is also necessary. The success in the past does not guarantee survival in the future, and the past cannot predict the future. The advantage of becoming an agent of change resides in the fact that, in this quality, the mentality of the entire structure will change. Knowing the process of change, with the aim of controlling it, becomes the attribute of an advanced management, which can ensure the competitiveness of the organization. An organization is the more competitive and advanced, the more it can develop on multiple levels. A successful organization of the 21st century will be the one that approaches problem solving and decision taking as a global undertaking, which goes beyond the internal and external borders. The object of change is, in many times, more important than cost reduction, profit increase or productivity.

In this context, the role of change management becomes essential. It is a process of identifying and solving problems. The misunderstanding of the role of change can stem from the misunderstanding of its purpose and risk. Change must lead to a development of organizational culture, based on the values of knowledge and communication. The larger or more encompassing a program of change is, the highest the success chance.

But how do people react to change? There is a set of factors that can prevent us from accepting and embracing change. Moreover, novelty is, in general, scary. This is the context in which resistance to change appears. It can occur at the level of the individual or the organization. As for the sources of the individual resistance to change (Stanciu, S; Ionescu, M., 2005, p.105), it stems from the perceptions guided by the life perspectives, from the habits resulted from privileged perceptions, from dependency, fear of the unknown, insecurity and uncertainty and from financial reasons. Organizational resistance to change comes from the fact that organizations tend to conserve the energy for routine, for inertia, which strengthen their perception of efficiency. The fear of losing power and influence, felt by certain groups or individuals, the structure of the organization, reduced resources and fixed investment, are sources of resistance at an organizational level. Most often, change is held back by conservatory attitudes, procrastination, self-complacency and arrogance. However, the worst thing is the attitude of impossibility.

Change must not be regarded as a battle, but as an opportunity for "better", in compliance with the objectives and aims of the organization.

This is why we believe that the process of communication should be granted special attention, because it involves the employees and informs them regarding the reasons, processes and expected benefits from change. The involvement of the employees in the change initiatives will lead to the increase of the level of acceptance of change. A faulty communication will lead, for sure, to the failure of any change initiative.

Those that initiate change cannot ignore, under any circumstance, the organizational culture. In order to succeed, it is necessary to promote change in the organizational culture, so that each person finds their place in the created or improved company, because, otherwise, no person will be motivated to support change. It is necessary to develop an organizational culture based on knowledge and communication. The knowing of the process of change, with the purpose of controlling it, represents a characteristic of an efficient management, which can ensure a competitive edge. An organization is the more efficient and competitive the more it has the ability to develop continuously on multiple levels. Companies, especially the large ones, as Drucker claims, will not survive the periods of fast changes unless the managers approach in a creative manner the organizational issues.

We support the opinion of the specialists (Harrington, 2001, p.123), according to which change management is not something uncommon or a means of obtaining a competitive advantage, but a necessity. Beyond any doubt, the future success and survival of an organization will depend on how well the change decisions can be implemented.

2. Conclusions

We also believe that change is nowadays inevitable for organizations, for employees or for the society as a whole. At the level of the organization, change is determined about internal factors, but also about external factors. However, regardless of the origin of these factors that determine change, one thing is certain: if the organization aims at reaching the desired objectives, if the organization aims at success, then change becomes a necessity.

As for the employees, it is well known that the human resource is by far the most important asset of a company. Change affects mentalities, systems of values, principles, attitudes and habits. We could state that change affects the entire existence of the individual. People are the basis for the entire process of change in the organization, but also, people can become an impediment of change. It is also important to anticipate and overcome the largest problem that ensues: resistance to change, at the same time creating a common vision on the future.

References

- Bibu, N.A.; Predișcan, M.; Sala, D.C.(2008) *Managementul organizațiilor*, Editura Mirton, Timișoara, p.268-272.
- Bogdan, I.(2007) *Managementul afacerilor internaționale*, Editura Universității „Lucian Blaga” din Sibiu, p.79.
- Burduș, E.; Căprărescu, Gh.; Androniceanu, A.; Miles, M.(2000) *Managementul schimbării organizaționale*, Editura Economică, București, p.28.
- Clarke, L.(2002) *Managementul schimbării*, Editura Teora, București, p. 186.
- Drucker, P.(2004) *Managementul viitorului*, Editura ASAB, București, p.81.
- Harrington, H., J., Harrington, J., S. (2001) *Management în firma secolului 21*, Editura Teora, București, p. 123
- Olaru, A.(2004) *Managementul schimbării*, Editura Europlus, Galați, p.14.
- Predișcan, M.(2001) *Managerizarea schimbărilor organizaționale*, Editura Mirton, Timișoara, p.14.
- Stanciu, S.;Ionescu, M., A.(2005), *Cultură și comportament organizațional*, Editura Comunicare.ro, București, p.105.