

FACTORS INFLUENCING CONTINUOUS ORGANISATIONAL CHANGE

Alexandru RIZESCU*
Cosmin TILEAGA**

* “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania,

**“Lucian Blaga” University, Sibiu, Romania

Change involves the continuous adjustment to the external conditions of organizations in the operating environment, in parallel with the growth of domestic stability. This process constitutes the dilemma of change-stability, which can be tackled only through a vision of the future, meaning the idorganization of organization-environment interaction along with a flexible organizational structure, the use of advanced technology and the existence of a system of rewarding employees that reflects the values and priorities of both, organizational norms and individual needs.

Key words: *organizational change, management change, organizational environment.*

1. FACTORS INFLUENCING ORGANIZATIONAL CHANGE

Organizations are faced with two sources of pressure in favor of change: external and internal. In terms of external factors, organizations are trying hard to stabilize inflows and outflows. For example, an organization may use a system just in time for the management of material resources and trying to obtain quality products in order to secure orders. On the other hand, however, the extent to which the organization is able to control the environment is greatly reduced, environmental changes must be compensated with organizational changes, if the organization is to remain effective. Change can be determined by the forces of the internal environment of the organization. Low productivity, absenteeism, turnover, sabotage, strikes are factors indicating that change management has become necessary. In many cases, internal forces that arise in response to

organizational changes are designed to deal with external factors.

Thus among the factors that trigger change, the following can be identified:

- External factors that can be controlled to a lesser extent by managers.
- The managers of the companies must respond to the changes taking place in the marketplace: new products introduced by competitors, the amplification of new products, advertising discounts to various categories of products or the improvement of services offered to customers who want to buy products or services more cheaply and better quality.
- Changes in technology by introducing computers and industrial robots that allow rapid resolution of complex problems in production and management, helping to reduce costs and improve quality.
- The increasing complexity of life generates complex communication systems, as well as social mutations.
- Internal factors acting through

changes within the organization: the decision making processes, communication, interpersonal relationships, leadership, management style, etc.

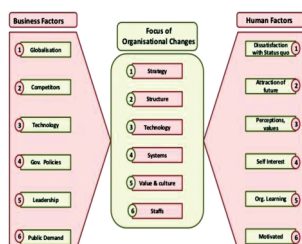


Fig. no. 1. Business and Human factors affecting organizational changes

Organizational development represents a response to changing technical, economic, political, social, cultural, that occur in the internal and external environment of the organization. The organizations work in an environment increasingly uncertain, where the changes succeed quickly. The organization's ability to adapt quickly to these changes depend to a large extent to its competitiveness and finally performance in the use of resources at its disposal. Of all the changes taking place in the external environment of the organization, the most prominent of which leads to effective organizational development actions are: globalization, computerization and management innovations.

- Globalization entails changes in the framework of the general markets of the external environment in which the organization operates. New markets, changes within the former socialist countries, developing countries in the area of Asia, etc. lead to the creation of a new world economies, with a view towards globalization trends. In these circumstances the generally and particularly productive enterprises

must adapt to the new conditions created, implying the operation of changes leading to organizational development, with a favourable effect on efficiency.

- Computerization determines changes in used knowledge from different fields. Improved procedures for the collection, storage, transmission and use of data are cost reduction and quality improvement of the products or services. Changes in information, leading to increased possibilities of information sharing between organizations determine the changes within the organization.

- Innovations in the field of managerial response to globalization and the trend of informatization creates a new structural forms of organization (for example, network type organization), the new strategic alliance what changes the way of thinking on manufacturing products or providing services. In terms of an increasingly complex and ever-changing environment, no company, no matter how powerful it may be, can no longer control the single these changes, which in turn requires recourse to various strategic alliances.

Organizational development is necessary to change the managers and subordinates mentalities within the respective organization, relating to the increase in flexibility and get its adaptation to the changes that occur in the environment, with the aim of increasing the use of resources in an efficient way. Any changes in exogenous or endogenous variables, which influence the work of the organization, shall entail changes in the organizational domain, which, under-performing organizations, should materialise in improvements of all the components of the management system. Obviously that

in the case of a solid organization, organizational development may include all or some of the issues related to the changes imposed by the variables taken into account.

Also, the employees of the organization should be helped to understand that the current organizational structure should be adapted to the new requirements involved in transition to market economy and that the current information system should be changed and transformed into an effective instrument available to managers. Obviously, their decisions need a justification, using participatory methods and modern management techniques.

This step is essential because one presumes, in effect creating the belief of human resources within the organization that the present management system and the current staff policy are not consistent with market demands. Understanding the need for change assumes knowledge of the fact that the continuation of the process of management and execution with old structures in new conditions, inevitably lead sooner or later to situations that are critical to the organization.

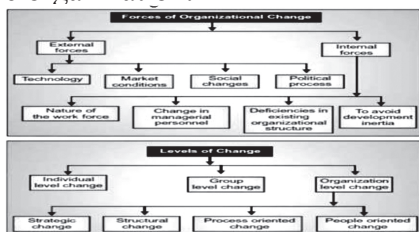


Fig. no. 2. Forces of organizational change and levels of change

2. CHARACTERISTICS OF ORGANIZATIONAL CHANGE

Relative advantage is a dimension that refers to the unique benefit brought by change, benefit

that other ideas, practices do not offer an equivalent measure. This dimension is important in the assessment stage of the decision-making process. The relative advantage of a change in the form of a higher savings influences social conflicts, psychological or security, forming a high productivity.

Impact on social relations: many of the changes are likely to have a decisive impact on the social relationships inside the "target" system and the relationship between the "target" individuals or groups from external environment. Change can create new leaders, as it can create other roles.

Divisibility: refers to the extent in which change can be implemented on a limited scale.

Reversibility: the size of the reversibility is closely related to divisibility. It refers to the ease with which it can be restored the status quo ante, in the situation where a change introduced is subsequently rejected. It is also an important dimension of the stage of adoption (change).

Complexity: the probability that a change should be done willingly is even smaller, the difficulty of use and understanding of change is greater. This characteristic is important in the assessment stage and use (change). Different individuals may respond in a manner different from other individuals. Change agents must be prepared to consecrate a considerable time explaining the technical aspects of the change and training, for the purpose of its use.

Compatibility: appropriateness of the change in which it is to be used is very important. A situation includes psychological factors, sociological and cultural. Change agents must have a considerable care to ensure

that the change harmonizes well with a number of elements, such as the values and beliefs of the group, level of education, the history of change in the organization, etc.

Communicability: the ease with which information can be disseminated to change is another fundamental feature. Some social structures are more open to direct communication between people than others. This is true both for major social groups, as well as in the case of small groups. In addition, some topics are more appropriate as interpersonal direct communication than other people. Communication is important in the phase of awareness and it is of interest to the decision-making process.

Time: the speed at which a change is introduced is an important factor. There is a need to think in terms of an optimal time. The most appropriate pace of change may not correspond to the maximum possible rate. The change can then be introduced too quickly or too slowly. This size is considered as a criterion in the selection of strategies for change.

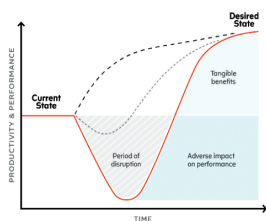


Fig. no. 3. Change curve (productivity and performance versus time)

3. STRATEGIES FOR ORGANIZATIONAL CHANGE AND DEVELOPMENT

Organizational development is a continuous and planned effort to change organizations to become more effective and more human. The

fact that organizational development is planned a different from routine or accidental efforts taking place in all organizations. Continuous efforts of organizational development in at least two senses: they stretch over a long period of time and become elements of organizational culture.

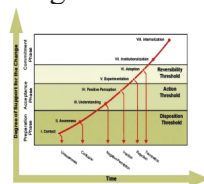


Fig. no. 4. The commitment curve of the organization

Forming team spirit is a strategy aimed at increasing the effectiveness of work teams by improving interpersonal processes, clarify objectives and roles. The term spirit may refer to permanent work teams, operative groups, departments, or people from different sectors of the organization that must work together to achieve a common goal. The formation of the spirit of usually starts with a diagnostic session held often far from work, in which the team evaluates its current level of functionality. The objective of this phase is to build a picture of the strengths and weaknesses of the team, and the ideal result is a list of changes required to improve the functioning of the team.

Total quality management is a systematic attempt to achieve continuous improvement of the quality of the products and/or services of the organization. Among the typical characteristics of TQM (Total Quality Management) include the focus on customer satisfaction, the concern for good relations with suppliers, continuous improvement

of work processes, prevent errors, quality metrics and evaluation, extensive training and the involvement of employees.

Reengineering is a radical redesign of organizational processes to achieve major improvements in terms of time, cost, quality or service. Do not adjust the existing posts, structures or technologies, but rather a question of “what we are dealing with?” or “If you were to create the organization today, how would it look like?”. The strategy can be applied to the entire organization or just a department. Essentially, a large portion of reengineering is geared towards one or more goals like reduction of intermediate steps to streamline the process; strengthening cooperation between those involved in the process. This strategy is extended in areas where bureaucracy is at high limits, large gains are possible through advanced technology and deregulation of competition. Such fields are insurance, banks, brokerage, or telecommunications.

Downsizing consists of a set of activities centred on the management of the organization in order to improve efficiency, productivity and/or competitiveness. The adoption of this strategy affects both the number of people working in the organization, and the processes of work. Four characteristics of this strategy are considered essential to distinguish phenomena such as organizational decline or even dismissal:

- it involves a set of actions undertaken intentionally.
- although the strategy involves downsizing, there are a number of strategies associated with this, such as transfers, assistance to people in

order to find a new job, etc.

- it is centered on increasing the efficiency of the organization.
- it affects work processes, whether intentionally or unintentionally.

If the size of the reduction strategy has been appreciated and adopted as a solution for increasing performance and competitiveness, it is important to know what line exists between the initial expectations and achievements. It seems that the effects are not far from the expected ones. When the strategy was used, with no previous training, it has produced serious organizational dysfunctions, especially prominent in the impossibility of introducing any form of improvement of activity and even in increasing organizational inefficiencies.



Fig. no. 5. The organizational development process

4. CONCLUSION

Organizational development is the road to take when approaching organizational change because it plays an important role in organization self-assessment, as well as in assessing the external environment, the development of new strategies and the design of new organisational structures, generally in increasing economic efficiency. All the steps required by organizational development are aimed at the ultimate change of the management system and the overall behaviour of members within the organization,

for the purpose of its adaptation to the new conditions imposed by exogenous and endogenous factors.

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