

## **ORGANIZATIONAL CHANGE MANAGEMENT: PART OF THE MANAGEMENT STRATEGY**

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### **Abstract**

*Organizational change involves altering the mission and vision of the organization, the introduction of new technologies with new kinds of activities, the introduction of a rating system and a performance system, a redefined payroll, changes in organizational structure, in essence, the new orientation to the target customer groups with other necessities and totally different behaviour than that those of past customers, and in particular, the introduction of a management system defined by objectives. Organizational change corresponds to a new fundamental and radical guidelines, looking at the ways an organization operates, given the essential implications upon the behaviour and to all the components of an organization, from the Chief Executive to the execution staff.*

**Keywords:** *organizational change management, management strategy, human resources, managers*

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### **1. Introduction**

A structural approach to managing change has become well known, quite obviously, as change management. Firstly, change management enhances the effectiveness of initiatives of change, whether you are the one who chooses them or at which they are entrusted. Secondly, the effective management of change reduces the risk significantly to major problems during the implementation of the change, whether you manage to control the total change or react with to. The organization, which will manage the best change is the one that will thrive the most, while managers who consistently fail to implement the change will be among the most unsuccessful. The concept of "change management" seeks to reshape of how managers think, from that pure economic orientation focused on chasing profits to the new type of dimension

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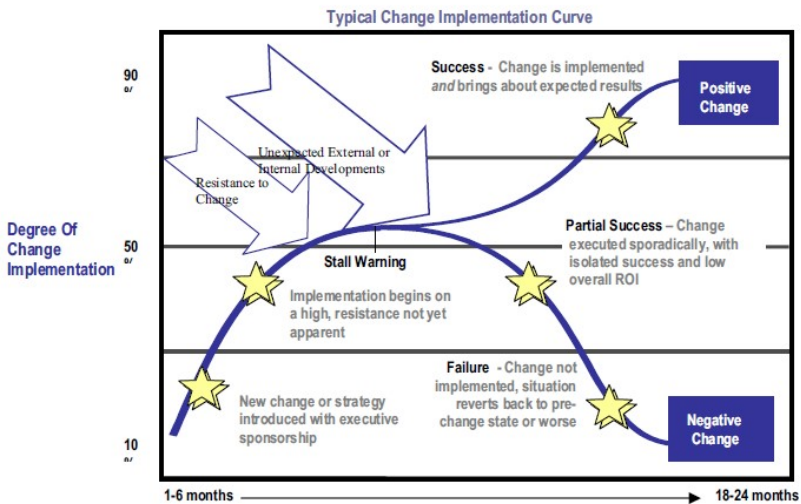
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value (employee satisfaction and motivation) or ecological reasons (environmental aspects).

## 2. Organizational change – adapting to the market

The organisational change is aimed at modifying the procedures and systems, organizational structures and responsibilities, but equally changing skills. In the new construction, the people need new knowledge and need to be empowered in order to act. In addition, managers need new skills to support employees to cross the change. At every level of the organization, managers must have the necessary knowledge to constantly achieve change and support staff for the transition period which may prove to be stressful for many employees. They are asking a different mindset, a different value system. Everything was normal until now that it becomes undesirable, inappropriate or even inadmissible.

Fig 1. Typical change implementation curve



Change management involves a number of specific activities (communication, coaching, and training) to orient the people so as to achieve the expected results. And so, a few procedures may be introduced or

implemented in a new system of procedures, but people need to know how to use them and, what is even more important to understand what are the benefits of this change, both for them and for the organization, or the tools and techniques used.

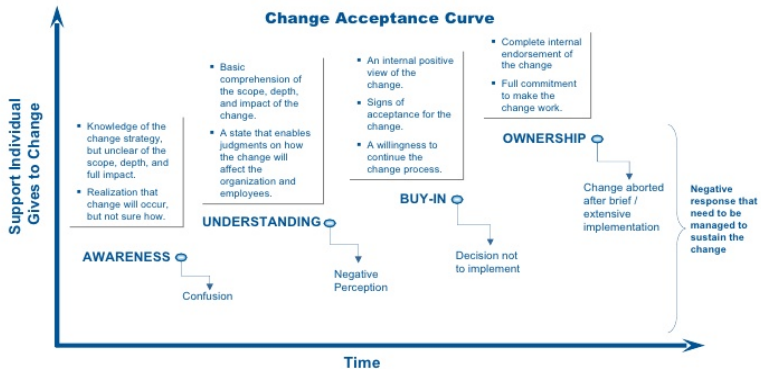
The change of competencies in an organization, ensures the capacity to successfully apply new practices and procedures. If change can be accomplished through explaining by initiators and learning, to those who are going to put it into practice, changing skills demands a close link with the values and culture of the organization. In order to achieve competencies, change initiators must steer attention everyday over the staff. In change management, these should be the target group for most activities in support, understanding of the meaning and future benefits that will get as a result of the change. Although, in most cases, in practice, staff performance was the main obstacle to change, often their role is underestimated. Hence, the many failures of programmes of change initiated in recent years.

**Fig 2. The change acceptance curve (individual perspective)**

## The Change Acceptance Curve

Individuals experience four key phases that lead to change ownership: Awareness, Understanding, Buy-In, and Ownership.

The goal of the Change Plan is to move people **UP** the Change Curve as quickly as possible by using interventions to mitigate the negative responses.



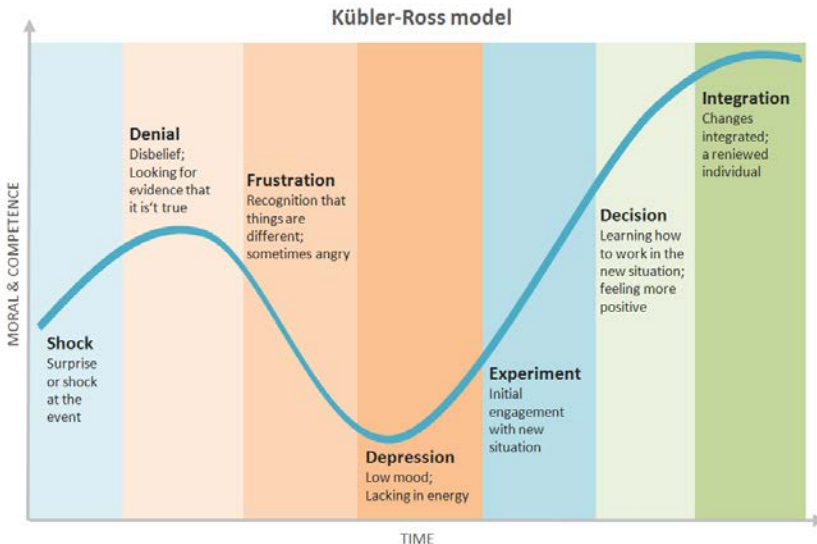
The external environment within which the organization acts, may be a particularly dynamic "avalanche" of new products and technologies, changes

in the demographic and cultural factors, through globalization and the intensification of competition, changes in the legislative framework, and so on. These changes in the environment challenges the organization and even can cope with them, through the promotion of technical, economic and internal management.

### 3. Kubler-Ross Change Curve

Firstly, organizational change/social is a change that concerns people. It is not enough to replace systems, processes or structures but companies need to work with people. A change involving people will have to take into consideration the changing people. Every person involved in changes, suffers personal transition period, which sometimes may involve certain losses, sometimes collapsing power or prestige, or even diminishing resources/income. The change is easier for people and how it reveals the benefits of faster change, the faster it will be taken and applied.

Fig 3. Kubler-Ross change curve



The change curve is a model that offers an interpretation of personal effects involved in the change. The origin of the model is assigned to Elisabeth Kubler-Ross (she created a model of change/adapting traumatic life

situations) and which is often used by management scientists, currently having many variations and adaptations. This pattern has relevance for the changes perceived as intensely negative; if the change is perceived as being a little worrisome event, neutral or positive, then these steps are greatly diminished or even have no place.

The change curve describes the four stages (shock/denial/anger, fear, acceptance, commitment) by passing people in their efforts to adapt to changes.

The first reaction in the face of an unexpected or unwanted changes is that of shock and denial.

Once you confirm the beginning of this change, people are going into the second stage and develop reactions of anger or fear. In general, these feelings are caused by an anticipation of some negative consequences. As a result people tend to resist active and protesting in front of the change. Plan organizational/social protests caused by fear of change can lead to malfunctions. If they are not handled dysfunction can amplify leading to a disorder of the entire system.

Although, people oppose the change because of a lack of vision, it must be understood that these are not the only possible reasons; for some people even change may involve negative consequences (financial, material). As long as people remain in stage two of the curve change, change is unsuccessful, at least not for those who feel threatened by it. Stage two is a stressful and unpleasant as reflected by these people. It is much more beneficial for people to try to move towards the three-stage, stage in which pessimism and strength diminishes and begins to manifest optimism and acceptance.

In stage three of change, people are much less focused on what they have lost and are starting to be attracted to new opportunities arising and to manifest acceptance of change. They begin to test and explore the meaning of change and what brought the change. Thus, they learn directly from reality, which can be good or less good for them, and learn how to adapt to the new conditions.

In stage four, people don't just accept change but also begin to engage actively in its development. They reconstruct their way of being, to relate with others. Only when people reach this stage of the change it can be said that it can reap the benefits of change.

Actions that can optimize each stage separately:

**Stage 1.** In this stage, the world may be in a state of shock and negation. Even if the change is well planned and the organizers know exactly what happens, people can react negatively when changing is influencing gatively. It takes a while for people to realize exactly how the change will affect. At this stage people need to be informed, to be helped to understand what's going on; they need to know how they can be helped. At this stage communication is essential. You must take all measures to communicate as often but without exaggeration; people can handle only limited amounts of information, one by one. But, we must ensure that, if need, people know where can I call for more information and to make sure that people will get answers to their questions.

**Stage 2.** Once people take contact with the elements of change, they may experience feelings of anger, worry, or fear. They may be passive or actively oppose the change. They may feel the need to express their concerns, and feelings to release anger. For the change process, this stage is "dangerous area". If this stage is not managed properly it can slip into a prolonged crisis. Because of this, this stage needs a thorough planning and preparation. You must anticipate the effects of change and objections that can pick up people. These effects need to be addressed and how complaints earlier through communication and support. Also, take steps to minimize and to reduce the problems experienced by people. Since the reaction to change is very subjective and can be full of affection, it's difficult to provide any possible reaction from the people; therefore, at this stage it is necessary to make efforts in order to listen and watch carefully what's happening so that they can give more timely responses even in unexpected situations.

**Stage 3.** This is the turning point for people and organisation/company. Once you've arrived at this stage change is heading towards success. For people, once you increase the level of acceptance, they will try to test and explore what it means to actually change. They could do so more easily if you are helped and supported in this respect, although it implies especially leaving enough time for people to be able to experience. A real help is preparing people for change and providing opportunities to experience the effects of the change in advance. This stage is vital to learning and acceptance and is held for a longer period. There is no waiting, as people to be productive 100% along this stage. It is best that people can learn and explore without feeling pressured.

**Stage 4.** It is the final stage in which the desired changes become immoral behavior and people enjoy the improvements brought about by change. Once

people are able to manage change and to find new benefits, effects of change are becoming increasingly apparent. It is important to keep in mind the achievement of all these objectives and once achieved should be taken into account and the need to celebrate the success of the change. Through this celebration be cautious sharing of benefits to all those involved. In addition, marking success is likely to be an asset in front of others if you will in the future another change.

#### **4. Shortening the change curve – the strategic change**

Defining change from a strategic change perspective, it is of course impossible to provide a simple model for achieving organizational change in all situations, although it may be a few useful rules.

Firstly, there is a need to harmonize the measures and processes of change with activities and processes of normal driving. It could be that, there should be a competition for obtaining more difficult available resources; some people may be planning to request the preparation of a change and for solving current problems. The issue is especially delicate and in organizations that are going through major changes, for example in the case of the production of large series, where the transition to a new product or a new technology requires a major restructuring of production and the question is how to achieve this without substantial losses in production and productivity.

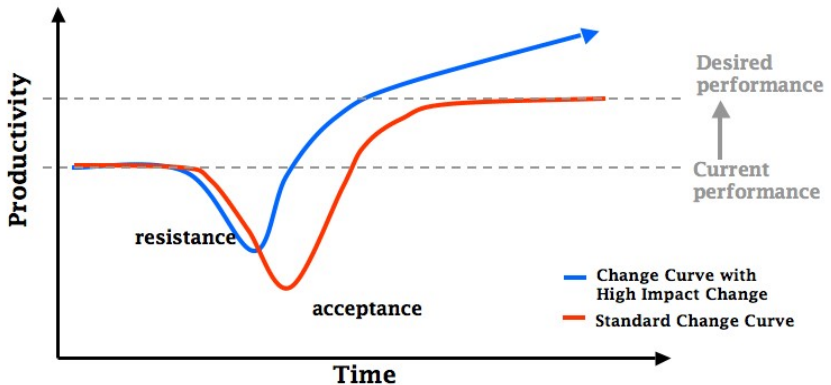
Secondly, the management must determine concrete measures for change and for needed guidance and to decide on the degree and the form in which it will be involved directly in such measures. The main criteria is the degree of difficulty of the measures and their importance for the future of the organization. In larger organizations, superior leadership cannot be involved directly in all the changes, but there are some changes that should lead them directly or must find an appropriate, explicit or symbolic, to provide support. The messages that come from consolidation manager represent a key stimulus in an effort to change.

Thirdly, the various processes of change in the organization should be brought into line with each other. If this can be easy in a small organization and simple, it can be difficult in a big and complex one. Often, different services are working on similar issues (e.g. the introduction of new technologies for information processing). They can come up with proposals that do not fit into the overall management policy and standard procedures or that require excessive resources.

Fourthly, to drive the change means having to deal with the various aspects of its structural-technological, procedural, human, psychological, political, financial, etc. This is perhaps the most fundamental responsibility and challenging leadership related to organizational change, because change process involves specialists who often try to impose views limited to complex and multidisciplinary problems.

Fifthly, to drive change involves taking decisions with regard to the use of different methods and techniques to change approach, allowing a good start, working systematically, ensuring the defeat of resistance, collaboration on the part of the people and the implementation of change.

**Fig 4. Shortening the change curve (time versus productivity)**



Change no longer represents something new, unique, but is spectacular by the level of complexity. Therefore, the use of a model, a strategy is absolutely indispensable, the strategy, being called "the art of the possible". Strategic change is not just a change in time, but the search for new modes of proactive work, beliefs, attitudes, compared with the normal routines of the organization and that everyone will have to adopt them.

Not only the studies, but also the managerial practice confirms that the possibilities of achieving success are greater as the effort of restructuring and technological innovation to be integrated into a coherent strategy guiding this effort, supporting and leveraging the results is greater. At the same time, an active strategy requires an open, flexible environment surrounding the



company and the creative spirit that overcomes the resistance against change, against the factors that block imagination and spirit of enterprise.

### **Conclusion**

Today's organizations are faced with important changes that make strategic management more difficult and more complex than ever. To succeed in this environment, companies must take account of the technical systems, political and cultural values. Under the influence of discontinuous changes in the large-scale taking place in the world, organizations will have to submit their strategies to have major success. Under the conditions of transition to market economy, the organisation operates in a dynamic economy, in which the major targeted mutations are in the direction of development. The development aims to ensure the dynamism of the firm, treated under two aspects: the integration in the trends and the guidelines (present and future of market economy) and the economic and social efficiency and the achieved level of profit.

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