

MANAGEMENT OF CHANGE AND ORGANIZATIONAL CULTURE

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Abstract: Managing change relates to the adoption of change in a planned, structured and organized environment. In the middle of change management lies a set of questions like: how do we make this problem become more innovative, more competitive and more productive? What are the needed changes? What performance measures are we trying to adopt? Why people feel the need to be more creative? An important question relating to organizational change is "Why organizations change?" The necessary expertise of change management is made of methods, models, techniques and other tools taken from sociology, psychology, economics, industrial engineering, systems engineering, the study of individual and collective behavior.

1. INTRODUCTION

Managing change relates to the adoption of change in a planned, structured and organized environment. In the middle of change management lies a set of questions like: how do we make this problem become more innovative, more competitive and more productive? What are the needed changes? What performance measures are we trying to adopt? Why people feel the need to be more creative? An important question relating to organizational change is "Why organizations change?", And the answer may be:

- for having poor performance;
- to adapt to changes from the external environment;
- to achieve or maintain a competitive advantage (better price, high quality) from the competition;
- to exploit an innovation.

We can further say that there are two sources that determine organizational change:

- external sources - the change is initiated or imposed by the actors, interest groups from outside the organization;
- internal sources - change starts from groups or individuals such as shareholders, management, employees.

Another fundamental question concerning the subject of change can be: "What can we change in organizations?" There are frequently changing the following:

- objectives and strategies;
- technology;
- human resources;
- organizational structure;
- environment.

Professional practice concerns the reaction, the response to the changes that the organization can not control or it can do it only to a limited extent, such as, for example, changes occurring in law, in social or political climate. The necessary expertise of change management is made of: methods, models, techniques and other tools taken from sociology, psychology, economics, industrial engineering, systems engineering, the study of individual and collective behavior.

The adoption of specific methods for managing change emerges as a difficult but necessary continuous process, despite all the difficulties encountered. An important task for the manager of a group is to determine the group members to agree on what is expected to do the group, how things must be done and till when.the group must work together.

2. CONTENT

The world's inhabitants however come from many faiths, cultures, world views and experiences. We are all different and as a result doing business across borders (whether political, religious, cultural or linguistic) requires cultural sensitivity, meaning a sense of empathy, flexibility and creativity informed by cultural knowledge.

Comparing important differences has become the focus of research within intercultural communication. G. Hofstede and S. Weiss have conducted significant research in the field of culture's effects on business attitudes, especially on the negotiation process. Hofstede's research resulted in identifying the four main dimensions in which cultures differ by means of statistical analysis and theoretical reasoning – *Power Distance*, *Individualism*, *Uncertainty Avoidance* and *Masculinity*. The four dimensions show some significant correlations with geographic, economic, demographic, and political national indicators. Each of these areas has particular importance for negotiating across cultures.

Power distance dimension measures the way individuals relate to authority at work in different cultures. High power distance cultures mandates respect for age and seniority, the style of management is paternalistic, hierarchy is regarded as important (Latin America, Russia, South Asia, some Arab countries).

In low power distance cultures differences in status are less apparent (U.S.A., Great Britain, Scandinavia).

The dimension of *individualism* refers to the orientation that people in different countries have towards their work. Individualistic cultures are task-oriented, individuals are self-motivated and seek individual appraisal and reward. Collectivist cultures are motivated by their desire to advance the interests of the group, they seek reward for the group. Americans expect their Japanese partners to make decisions at the negotiating table, the Japanese are surprised to find individual members of the American team promoting their own ideas, sometimes contradicting one another.

The dimension related to *uncertainty avoidance* measures the comfort or discomfort people in different countries feel in the presence of uncertainty. In high uncertainty avoidance cultures people want to avoid ambiguous situations. The decisions are made slowly and carefully after consideration of all possible details. Low uncertainty avoidance cultures have more tolerance of ambiguity and differences. The USA have a low need for certainty. Among the countries with the lowest needs are Jamaica, Hong Kong and Singapore, i.e. they like more risk-taking. *Masculinity* dimension is based on the degree to which cultures value gender-associated qualities. More masculine cultures tend to favour a sharp division of sex roles. More feminine cultures tend to value the relationship quality-of-life values. The values are shared by men and women. The style of working in masculine cultures may be more competitive, while in feminine cultures more collaborative. Hofstede's research has resulted in international negotiating styles. However, the forty countries, where the research was conducted, do not involve many Eastern European cultures. This leads to the necessity of similar research which would summarise the knowledge concerning cultural values and their impact on behaviour of people living in some countries in Central and Eastern Europe.

Organizational change process is often a complex one, accompanied by risk, uncertainty and disorder, it involves the browse of several stages, and often, the final results are not up to the expectations and even often put under question the efforts. Adverse reaction to change is determined by several factors, of which we can mention:

- the fear of losing the income - any change is likely to stir up fear about the loss of jobs or a considerable reduction of revenues;
- the fear of destroying interpersonal relationships - people feel they have a greater psychological comfort when they work with people that they know. Unwritten rules of a

group have a large effect in mobilizing individuals in achieving objectives, and that is why the strong groups show a great opposition when managers seek a change likely to modify the group composition;

- the need to learn - change force people to change their mode of action. For them it becomes necessary to assimilate knowledge, methods and new procedures, which require additional training, with an additional intellectual effort;
- the fear of the unknown - the changes are accompanied by uncertainty over their purpose, which determine the individual / team / group / organization to be withheld;
- conservatism - low tolerance to change;
- lack of information;
- lack of understanding the changes benefits.

In order to accept the changes, theory suggests that management must consider the following issues:

- creating the trust for the individuals undergoing change;
- preliminary discussion on how the change will be achieved;
- direct implication in the process of change;
- ensure that the change is reasonable;
- avoiding the threats;
- proper timing of change.

There are many models of organizational change and reflecting the process stages, but one of the best known is that of Lewin in 1951, which suggests that any change or innovation can be understood through three successive stages: *unfreeze*, *change or movement (turning)* and *regelation*. Lewin believes that organizations are essentially stable in structure, and change is the process by which organizations move between different stable states. This model was criticized for its "static" view of organizations. Lippit (Organization Renewal, 1982) speaks about the organizational crisis phases: *shock*, *defensive*, *awareness*, *adaptation* and *change*. Elizabeth Kübler-Ross (1970) establishes similarities between management change model and people's reactions when they are suddenly informed that they are sick with incurable illness: *denial*, *rebellion*, *bargaining*, *depression* and finally *acceptance*.

Organizational transformation involves changes at three levels. The first level is the change of employees' attitudes and behaviors in the organization. The second level refers to the change management system, and the last level concerns the deep layers of the organization, belonging to its culture, i.e. in the systems of values, beliefs, affectivity of community.

Another feature of the organizational transformation is that change are not resuming to the simple maintenance of functional organizational system, but they aim the renewal of the organization as a whole.

Any change requires the various exploratory and consultation, a preliminary analysis and a plan for implementing change. It is very important in a change approach is the employment of a specialist / consultant from outside the organization.

Change can be approached in a variety of ways. There is not an optimal strategy in all circumstances, sometimes it is useful the combination of strategies for successful change process. Next we describe several strategies that can be used in the process of change. The approach was made according to the degree to which it is imposed to the change subjects:

- *dirijiste strategy*: the right allowed to managers to manage change. When this approach is used, managers are claimed to use their authority to impose change. The advantage of this strategy is that change can be implemented very quickly, as required, involving a small number of people. The disadvantage is that it takes not account of the views or feelings of

those affected by change, thereby losing the valuable information, information that can lead to lower implementation rate of change, or even undermine them;

- *strategies based on expert*: change management as a way of solving a problem. This approach is applied when the change results from a technical problem whose solution requires a solution given by experts (eg introducing a new information system). Such a change is implemented by special project teams - with precise instructions and guidance from managers, with little involvement from those who bear the change consequences.

The advantage: the use of the experts' knowledge, it requires a relatively small group, the implementation is relatively fast. Disadvantages: change subjects might have different opinions face the experts and they do not accept the legitimacy of the solutions adopted by the experts. Therefore, resistance to change can occur;

- *negotiating strategy*: the enforcement of negotiations on the change. Approach supposes a desire to negotiate, accepting the idea that it would take some adjustment and concessions. All this do not absolve the responsible managers, but recognizes that people affected by the change are entitled to express their opinion on this regard, or they have the power to resist to changes (if not persuaded to join it). The advantage of this approach is that the change subjects have the opportunity to make public their opinion, so they will be less likely to resist. The disadvantage is that implementation might take some more time, and the results are provided as easy as it is estimated;

- *educational strategies*: change management is to attract emotional and rationalist subjects. This approach involves changes in the system of values and beliefs of people, so that they are supportive for change and adhere to a common set of organizational values. The emphasis is on emotional and rational conquest by a combination of activities, such as persuasion, education, training and selection. The advantage of this approach is the involvement of people in implementing change (people are convinced of its necessity). The disadvantages are that this approach requires a longer period of time for implementation and resource consumption can be relatively large;

- *participatory strategies*: we are all involved in the change application. The subjects are involving in change (directly or through representatives), managers are determined to initiate change, the groups involved in carrying them out (less dominated by persons with management authority) and even some organizational development consultant (to facilitate the conduct this process). Advantages: more likely the change is accepted, people engage in persuasion for implementing change, a better chance of individual and organizational learning. Disadvantages: implementing change is relatively slow, change management effort is complex, it is likely to require more resources.

The five strategies described above have affinities with other aspects of management, such as power and influence strategies and leadership / management styles. When opting for a strategy we take into account not only the circumstances we face, but also the preferred managerial style.

Each strategy may be appropriate in different circumstances and the factors affecting the choice of the strategy there are:

-the urgency of the situation - as the threat is more pressing and more important, so the strategy is more rapidly chosen;

-the degree of the expected opposition - as the opposition is greater, the more appropriate can be a slower strategy which may overcome resistance to change;

-the power-base of the change initiator - if the developer is strong enough, it is possible to apply a rapid change, even if there is a risk of a strong opposition;

-the need of information and responsible engagement - a rapid change means that the developer knows very well what it is necessary to be done, otherwise he would be forced to involve other persons and to advance more slowly.

3. CONCLUSIONS

Change management can be a stressful and demanding work. The way people relate to change can be affected by the position they have in the organization and the attitudes they adopt face to change affect the role that they assume most easily in the process of change, but also the opposite is valid :the attitudes can be shaped by the role played in the change process. Effective international communication is the effective use of language combined with an understanding of different behaviour patterns influenced by the value system of different cultures. To be a successful communicator it is necessary to be provided with the knowledge of cultural background of future business partners not only in Europe, but also in other continents, where people's values are different in a lot of aspects, their religion and organisation of society being the most significant ones.

The future communicators within EU therefore need the knowledge, attitudes and skills related to intercultural interaction, i.e. linguistics, sociolinguistics, pragmatics and cultural awareness. They must have skills and attitudes involving the ability to place an event in context, awareness of own ideological perspectives and values and awareness of potential conflict and ability to establish common criteria, and where it is not possible because of incompatibilities in belief and value systems, ability to negotiate agreement on conflict and acceptance of difference.

Globalisation has triggered more businessmen moving cross-culturally, and improving intercultural communication skills has become an important area. Businessmen in different cultures need to become sensitive to the multiplicity of cultural values and to improve the communication skills that could directly lead to successful negotiations with other corporations. As international business continues to expand and bring people closer, the most important element of successful business outcomes may be the appreciation and respect for regional, country and cultural differences – known as cultural diversity. Thus people from different cultures come into contact and have to become aware of each other's culture.

Miscommunication may start from small linguistic misunderstandings to serious situations in which agreement may be differently interpreted and its process may be completely different from culture to culture.

The problem of change is, a dimension of content, but also, another dimension, the process one. Therefore, it is creating, at least, three theoretical and methodological approaches of change management, such as: its management in a reactive or proactive way , the existence of areas of expertise and professional practice (with the dependent variable skills and abilities of practitioners of change) and the confirmation of a methodological set of tools, consisting of models, techniques, methods and other instruments, able to accurately reveal the causes, effects and the manner to maintain a favorable change process climate. We consider that Human Resources Policies can empower the teams and the teams are to be trusted to assume some responsibilities in HRM field. Many organizations have delegated important HRM decisions to teams. In many situations, teams screen and select new members. Once new members are on board, teams take responsibilities for orienting them to the norms and processes, and charged with creating their own procedures for evaluating individual contributions, spreading rewards or sanctioning free riders. Commercial teams members also developed the performance appraisal process, which takes customer feedback into account, and the specific content items for their own peer appraisal.

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