CHANGE MANAGEMENT AND ITS EFFECTS ON ORGANIZATION

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Abstract
We find in this article generally defined change management and at the same time are presented the reasons why many modern businesses are trying to adopt the change management concept. Currently, the company is characterized by changes that rapidly occur, so in these conditions change management becomes a constant phenomenon that must be managed properly within an organization so that it can survive. In conclusion, in this article we highlighted the effects that change management produce on firm.

Key words: change, management, organization, strategy.

JEL classification: M10; M14; M50.

1. Introduction

Change, in management point of view, represents a transformation of the organization's strategy, or a cultural transformation in terms of a company as a result of environmental changes, structure, technology and people. It is necessary to take into account that there are differences between change management, resulting from changes in technology and changes based on different management styles, but these changes influence each other. Change management is a very broad field, and approaches on managing change varies greatly, from one organization to another and from one project to another.

In case of a change, on a complex structure of an organization is acting both external factors as well as internal ones. There are multiple acting external forces that serve to change:
- market situation of the organization or the place that it occupies within the market;
- technology that organization uses;
- governmental laws and regulations;
- economy.

For an organization it is unusual for it to change its market strategy, since this can lead to a large number of changes if the organization decides to adopt a new strategy (Burduș E., Popa I., 2013).

Including in the organization of new equipment and technologies is an internal force that can affect an organization because all the time, new technologies require new processes or structures, and employees should be trained for new work processes or adapt to new jobs.

Regarding the workforce structure of an organization, it is known that it is not static, it is in constant change according to gender, age or education. So that, new employees join the organization while others leave the organization. Managers face these changes and always need to restructure the working groups so that the organization can carry out activities by referring and skills that employees possess.

Employee behavior, such as the level of satisfaction that they get to work can lead to create negative or positive forces for organization change. If the employees of an organization are dissatisfied, then there may be an increased level of absenteeism which may lead to changing practices aimed at personnel management.

Accelerated by the global competition, pressure to change the business strategy is a global phenomenon. Thus the main activities aimed at changing corporates and projects are represented, at present, by the shift from manufacturing to service, and globalization of markets, policies realignment, technical advances in management information systems, alliances and corporate staff reductions.

At the same time, organizations are facing a global competition. Such competition is increasingly obvious in industries such as automobile manufacturing, manufacturing of consumer electronics, computers and communications and manufacturing of various household products. Worldwide, top players in the market are large corporations involved in international or multinational projects. (G. Croitoru, P. Vague, Stegăroiu I., A. Duica, Duică M., 2014).

Global organizations create internal pressures on organizations and projects for restructuring and internationalize their perspectives.
Consumers are rapidly changing, these preferences are determined by rapid and frequent technological changes and innovations, more and more products and services having a short life cycle. So it is essential for organizations as they can create products and services over which it cannot intervene fast obsolescence.

In a company, the main forces of change are:
- of foreign origin that involves the emergence of new technologies on the market, but also some legislative changes in this area and the appearance or disappearance of competition etc.;
- of internal origin that involves changing personnel structure by steps of employment, dismissal, launching new products on the market, but also of old equipment and procedures etc.

The change management is difficult to implement in an organization because it includes changes in the behavior of people. It is known that changing the behavior of people claims a representative quantity of knowledge to raise awareness and bring new skills.

2. The effects of change management on organization

Many managers would agree now that change has become a constant phenomenon that should be followed and properly managed if the organization has as aim its survival in the market. (N. Niculescu, G., S. Hill, 2011). Changes made in technology, on the market and information systems, on the social, demographic and political environment have a significant effect on all processes, products and services produced by a firm.

In this way, the changes that occur within organizations are more successful if they take into account certain simple principles. Change management requires careful planning, implementing concrete action plan and involving everyone in the organization who are affected by these changes. Problems may occur only if the change is made in a constrained way (Gavrila T., V. Lefter, 2004). It is necessary that a change be realistic, achievable and measurable. It can be concluded that change management improves the organization's leadership while increasing productivity to the maximum level.

Employees within an organization do not have responsibility to manage change - the employee's responsibility is to be active in the company and this depends on a variety of factors (health, maturity, stability, experience, personality, motivation, etc.). The responsibility of change management is the responsibility of leadership and organizational executives – it is necessary to manage change in a way that employees can handle it. Managers within organizations have a responsibility to facilitate and enable change, and everything involved in it, especially to understand the situation from an objective point of view, and then to help employees understand the reasons, goals, and ways to respond positively to change depending on the circumstances and their capabilities. The manager’s role is to interpret, communicate and allow the change - not to train and to impose, because in such circumstances no employee should respond very well. (Andone I., 2013).

The main levels of resistance to change, specific to a firm’s personnel are:
- a. the rational level referring to the lack of information, the disapproval information received from ineffective communication and confusion;
- b. the emotional level referring to amplify the benefits of change, to ensure the involvement of all staff in the change process within the company and a correct and honest communication.
- c. the relational level referring to responsibilities, the fulfillment of all commitments, mutual understanding and communication between employees.

The business world is not a static world, and the globalization and advances in technology are only two dimensions, forcing enterprises to continuously change (Corodeanu D., 2014). Organizations need to be aware of the dynamic internal and external environment in which it operates, and managers should be aware that any change in an organization can have effects that extend beyond the area where change is implemented. If the change is not managed effectively, it can cause numerous disagreements within the organization.

The main influences of change management are:
- External influences
  - The legislative influences, such as changing Law regarding to workplace relationships, where legislative changes affect labor relations for several companies. At the moment it can be seen that also terrorism can influence consumers' attitudes to public transport, tourism and consumption of luxury goods.
- Internal influences
  - For companies to be profitable, it requires for management to assess the effects of technological changes (Panaite N., 2011). When new technology is implemented within an organization, it proves to be effective only if employees are trained according to the new procedures. It is necessary for managers to implement new procedures and systems through which ensures that new technology leads to increase effective organization. So in the reorganized company, employees may be working in teams to achieve increased productivity.
- Outsourcing
  - In recent years, many organizations have managed to identify the benefits resulting from outsourcing. By outsourcing to a specialized company, the organization aims to increase productivity by focusing on the basic function
Through outsourcing the organization benefit from advantages such as cost reduction or diminishing workforce workspace.

Financial Issues

The high costs of replacing or buying new equipment can operate under the restrictive terms of costs on businesses and can delay the process of change. At the same time it can be seen that in the situation of buying a new system that proves not to be appropriate, the organization often finds itself constrained to sell that equipment at a reduced price.

Personnel problems within the company

The staff of the firm can resist to change. Managers are responsible for identifying reasons for resistance to change. (I. Popa, Burduș E., 2014). So the main reason of resistance to change specific to employees, is referring to the danger of targeting their income, but also to their security and a future job opportunity.

However the skill level of an employee may decline, specifically in the past bank counter staff had to have mathematical skills, but they have been replaced by computers nowadays meeting all those skills.

On the other hand the staff of the firm can resist to change if they are forced to learn new skills. In the face of imminent change, employees can become uncertain, may cause a loss of perspective theme for career promotion opportunities (V. Deac, 2014). For example, staff within a company may feel that job security is threatened if the company is involved in a merging or if it is taken over by another firm. Such new business often requires less human resources and the management positions duplicates are removed from the beginning. Companies must formulate ways to mitigate interference because such changes may cause significant effects. Managers have to anticipate new businesses and be prepared to implement change at the right time.

Obviously, if the managers do not firmly believe that change is needed, then there is little risk in their businesses to implement real change with success.

Through change, company managers can develop a workplace culture that embraces change as a regular part of the business. To overcome resistance and to take responsibility for managing the process of change there is necessary using agencies of change (M. Dumitrescu, 2014). Because they have the ability to identify the opportunity to change and to persuade other employees about the need for change. In conclusion, it is known that teams working within a firm enable better communication between managers and employees.

In conclusion, the main ways of resistance to change of company's personnel are:
- open expression by strikes, decreasing the production, permanent conflicts between company staff, negligence at work etc;
- hidden expression by reducing the motivation of company staff, resignations or decreasing its morale etc.

Business culture issues

A business culture refers to values, attitudes and beliefs held by the company management and its employees. Business culture may have inherent attitudes that do not accept change and company’s employees cannot be motivated to improve their situation. An incompatible business culture may lead to a greater resistance to change and a longer implementation of change. Change management success is significantly influenced by the acceptance of change by the company management and employees. After all, the quality of product or service, the level of industrialization and external image of business are a reflection of the business culture and harmony between employees and management.

Depending on the type of activity, organization, firm age and the average age of its employees, management must decide what strategy should be applied to obtain the best results.

3. Conclusions

One of the most important things in change management is involving people in the process of change. But change in a company cannot be achieved without the support of employees and management, as both parties must feel that they are part of the process of change. It must be borne in mind that not every change process is a success, a large proportion of companies fail in this process.

The topicality in this article is the fact that all those with leadership positions are better to steer more attention to positively influencing people for the cultivation and development of human resources taking into account the issues raised by the various models and management systems of the modern world. This would lead to the existence of a positive feedback would support management decisions, setting priorities, policy changes on medium and long term and thus would increase the company's performance.

In conclusion, any real change in behavior is based on a profound transformation of cultural elements.

4. Bibliography