

MANAGEMENT OF CHANGE IN ORGANIZATIONAL BEHAVIOR

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ABSTRACT: *Over time, during the existence of a company, there are inevitable changes in its organizational structure, normal changes caused by the increase or decrease of its activity volume, changes brought about by the adaptation to the new needs of the market. Concretely, the company can move from organizational systems such as entrepreneurship to bureaucratic or matrix organization systems, depending on the type of activity they perform and the degree of development attained at one point.*

Strategy is the direction and scope of the organisation over the long term, which achieves advantage in a changing environment through its configuration of resources with the aim of fulfilling stakeholder expectations. Strategic decisions are made under conditions of complexity and uncertainty; they have wide impact on the organisation and often lead major change. There are several reasons why a business should give serious consideration to establishing a clear concept of its corporate mission and values. Strategies are developed in order to achieve desired outcomes. These are inherent in the organisation’s mission. defining purpose. Mission guides strategic decisions and provides values and a sense of direction

KEYWORDS: *change, organizational culture, performance, management of change, leadership.*

1. INTRODUCTION

An organization's work environment and culture are elements that tend to interpenetrate and influence each other. Specifically, we know from practice that they are organizations, although companies seemingly identical, in terms of the organization system and the services they offer, have completely different attitudes towards their own employees, towards customers and to their own suppliers of goods and services . All these differentiations that exist between two relatively identical companies are what we could call the organizational culture of these organizations. Organizational culture is basically that set of defining elements that outline the difference between one

organization and another and that gives them a personal personality. There are those elements that make a particular employee choose between themselves, opt for a particular organization.

Organizational culture plays a very important role from the stage of choosing an individual's future job, precisely because of the role it plays. Organizational culture offers, first of all, a sense of identity to its own members.

2. THE CULTURE OF THE ORGANIZATION

Specifically, an organization that has clearly defined its own value systems and how to achieve them, offers its own employees the

possibility of assimilating these value systems, the possibility of virtually identifying the individual's value system with the organization's value system it operates. In this way, individuals get to assimilate with the organization, consider it an important component of it, consider the organization as part of their life and, implicitly, to achieve the objectives of the organization as achieving their own goals.

Another role of organizational culture is to strengthen and enhance the participation and involvement of employees in achieving the mission of the organization.

Thus, organizational culture sometimes transcends the interests of the people working within it, because by solving the global problem it is practically possible to solve the individual problems of each individual employee.

Another important function of organizational culture is to clarify and to reinforce the standards of behavior. Often, organizations are said to have a life of their own, as this makes it easier to describe behavior within the group. The behavior of the group, thus implicit of all the individuals that make up it, tends to be a result of the individual behavior of each one influenced by the general framework in which it operates.

Concretely, organizational culture coordinates employees through words, facts, and examples, showing them what they should do or say, and how to address specific situations. Through this desideratum, it practically ensures the behavioral stability both in terms of what an individual might do at different times but also in terms of what more individuals could do at a given time.

As far as the impact of culture on the organizational process is concerned, research has mainly focused on the possibility of linking culture to the performance of the organization.

So, in order to influence performance, organizational culture must be strong. In particular, any action taken by an employee of the organization during the performance of

his or her duties must be in accordance with the general principles of organizational culture. A strong organizational culture is reflected precisely and precisely in any action taken by its employees. Only if this cause-effect link exists between organizational culture and individual actions exists, we can talk about a strong and efficient culture, about an organizational culture capable of grinding and modifying the behaviors of individuals.

It is obvious that a strong organization also has a strong organizational culture, a culture that exists and unfolds within the general framework defined by all the market players, which makes it flexible and adaptable.

3. THE CHANGE

Over time, during the existence of a company, there are inevitable changes in its organizational structure, normal changes caused by the increase or decrease of its activity volume, changes brought about by the adaptation to the new needs of the market. Concretely, the company can move from organizational systems such as entrepreneurship to bureaucratic or matrix organization systems, depending on the type of activity they perform and the degree of development attained at one point.

Such changes are also caused by the fluctuation of people within the firm, regardless of the position they occupy or the degree of responsibility they have. Obviously, changing employees from high company management levels tends to have major influences on corporate organizational culture and implicitly on employees.

Every organization has to work with individuals to accomplish the proposed goals, and people must be led to achieve this goal. The best way to manage a team is through leaders, that is, those who have the ability to lead on the one hand and to train employees to achieve organizational goals on the other.

The main task of management - at this stage - is to identify potential leaders and informal leaders within the organization to

co-opt them in the leadership and implementation teams of organizational strategies.

Thus, each new manager can impose his own style of management and leadership, style that may be on the existing line of organizational culture or may be completely different, individuals having to adapt to this new kind of management. Why can such a manager change a significant proportion of the organizational culture of an enterprise? Often, serious management problems within a company determine the finding of an outsourced manager to take over the business and implicitly the implementation of a new type of management. This type of new management comes with its own requirements and fills as far as possible on the existing management culture.

The effect of their merging is strongly influenced by management, its decisions being on the one hand coercive for employees and, as far as the psychological side is concerned, different decisions taken to resolve a crisis situation. In such cases, organizational culture is often changed, people adapting to the new requirements, aware of their necessity.

Understanding the organisation's mission is invaluable for setting and controlling the overall functioning and progress of the organization. However, an organization can operate reasonably effectively even if most of the people within it have only a vague understanding of its purpose. Most people's work is defined in term of far more specific and immediate things to be achieved: if these things are related in some way to wider purpose, the organization will function.

Loosely speaking, these "things to be achieved" are goals, objectives and targets of the various departments, offices and individuals that make up the organization. In more effective organizations, goal congruence will be achieved: all these disparate goals, objectives and targets will be consistent with one another and will operate together to support progress with the mission.

Goals can be related in several ways:

- **Hierarchically**, as in the pyramid structure outlined as follows

-**Functionally**, as when colleagues collaborate on a project

-**Logistically**, as when resources must be shared or used in sequence

- **In wider organizational senses**, as when senior executives make decisions about their operational priorities. For example, balancing the need contain costs whilst increasing productivity by investing in improved plant.

A simple model of the relationship between the various goals, objectives and targets is a pyramid analogous to the traditional organizational hierarchy. At the top is the overall mission; this is supported by a small number of wide ranging goals, which may correspond to overall departmental or functional responsibilities. For a business, a primary, corporate objective will be return offered to shareholders, however this is measured. There may be other primary objectives and there will certainly be supporting objectives for costs, innovation, market, products and so on.

Each of the high level goals is supported in turn by detailed, subordinate goals. These may correspond, perhaps, to the responsibilities of the senior managers in the function concerned. A more modern pattern is for hierarchy (and indeed many other aspects of the organisation) to be based on major value-creating processes rather than on functional departments. In any event, the pattern is continued downwards until we reach the work targets of individual members of the organization.

We owe the concept of a hierarchy or cascade of objectives to the great management thinker and writer Peter Drucker, who outlined the system now known as management by objectives (MbO) in the middle of the twentieth century. MbO is still use as a management tool, though no longer promoted as a universal solution. Drucker was

the first to suggest that objectives should be SMART: Specific, Measurable, Achievable, Realistic, Time-related.

Today, realistic is often replaced with result-focused for two reasons.

1. The current pursuit of innovation as a route to competitive advantage makes it very important that managerial attention is directed towards achieving results rather than just administering established processes.
2. Realistic means much the same thing as achievable, anyway.

Strategy is the direction and scope of the organisation over the long term, which achieves advantage in a changing environment through its configuration of resources with the aim of fulfilling stakeholder expectations. Strategic decisions are made under conditions of complexity and uncertainty; they have wide impact on the organisation and often lead major change.

There are several reasons why a business should give serious consideration to establishing a clear concept of its corporate consumers' buying decisions; this is shown by the attention paid to them in advertising, brand building and market research. Customers ask not only "What do you sell?" but "What do you stand for?"

mission and values. Values are significant in doing an acknowledged as integral elements

Identify and Quantify Change

What am I really planning to do here? Quite often where no effective MOC process exists, requests for a change are rather vague. "Run a temporary line from here to there..." accompanied by some hand waving happens all too often. How big should the pipe be?

Studies into organisational behavior show that people are motivated by many things other than money: employees are likely to be both more productive and more satisfied with their work when they feel that what they are doing has significance beyond the mere pursuit of a living.

There are three main levels of strategy in an organisation

- **Corporate:** the general direction of the whole organisation
- **Business :** how the organisation tackle particular markets
- **Operational/functional:** specific strategies for different departments of the business

The distinction between corporate and business strategy arises because of the development of the divisionalised business organisation, which typically has a corporate centre and a number of strategic business units (SBUs) dealing with particular markets.

The corporate objective is profit growth. The corporate strategy is the decision that this will be achieved by entering new markets, rather than producing new product. The business strategy suggests that those markets include Latin America. The operational or functional strategy involved the decision to invest in new plant (the production function) which is to be financed by shares rather than loans (the finance function).

What pipe material spec? What size and expected flow? Exactly where should it terminate? How about valves? Simple sketches, red lined drawings, marked up procedures, or whatever is necessary to convey the nature and extent of the change to a knowledgeable and competent third party is needed. Be clear, be concise, but be complete. If you cannot clearly communicate what it is

that you wish to do, how can a team properly evaluate it, and how can you assure that what you intend to do will in fact be implemented properly? At this point in the process the change has to be well enough defined that you can make a good decision in subsequent steps.

Evaluate Risk and Reward The most important step in an established MOC process is asking the simple question: Should I be doing this at all? What concrete business objectives am I satisfying by this change? Is there truly a compelling business case, or is this simply a matter of convenience or expediency? If there is not a clear reward that can be stated in terms of accepted business goals, why are you using the resources and why are you taking the risk? Just how big are the risks? Again being clear and concise are the keys. “Increasing temperature by 2°C will increase yield by 0.07% resulting in 27,000 lbs per year of increased throughput at a variable margin of \$0.20 per lb resulting in \$5,400 per year gross revenue.” “This change in control strategy will decrease nuisance trips by four per year, reducing overtime by 400 hours, valued at \$20,000 per year.” These fit both criteria quite well.

Select the MOC evaluation team

There is no change that is entirely risk-free. So get over it. And quite often the person who is proposing the change is the last person to be wholly objective in evaluating risk. And even where one person is wholly objective, they are rarely all-knowing. The evaluation of risk is where an MOC team is required. Use as a minimum the “three person rule” for assessing the risk of a

proposed change. The criteria for selecting someone to be part of the team are very simple:

a. Each member must represent a different discipline (i.e. a person representing operations, maintenance or reliability, engineering, S.H.E. or other disciplines as needed). What is needed is a balanced team that has the ability to look at the proposed change from many different viewpoints so that there is a complete picture of it. Keep in mind that the most serious mistakes come not as a result of where the person is not competent in their field, but where the person or team is ignorant of some bit of information outside of their area of expertise. That is, they didn't know what they didn't know. The best organizations develop a matrix of the required makeup of teams based on the nature of the proposed change.

b. The team members must be knowledgeable enough about the proposed change and its implications to be able to make an objective evaluation of possible consequences. They need to know how things really are, not how they are thought to be. Therefore an experienced operator is often a far superior team member than a manager who is new to the area. Remember that this stage is all about knowledge, not approval authority. A team that is all technical people cTeam members must have credibility with their peers and with leadership. They must be willing to speak up about their concerns. Conversely a team member who dominates or all shop floor people is rarely a well-balanced team.

4. CONCLUSIONS

Execute Change and Mitigation (Includes Pre and Post-implementation Actions)

A serious issue facing many U.S. industries today is lack of the ability to execute, or more simply, they can't "Git 'er done." And this is the other very common area where MOC process implementations fail. If you fail to implement the mitigation tasks that you have identified, then you have cast away much of the benefit of the MOC process. Some planning in how you develop your tasks can help make this job much easier and speed up your MOC process.

As you develop mitigating action items to address consequences of the change and to assure its effectiveness, categorize them into those that must be completed before and those that may be completed after the change is implemented. Required pre-implementation items are "show stoppers". You do not proceed unless they are done. So apply some good sense here. Do the operators have to have marked up temporary SOPs and training before they push the start button on a new piece of equipment of a new type? Definitely!

The post-implementation tasks, such as permanent procedure updates and updating the operator training manual, are just as critical, even if they do not have to be completed prior to start in most industries. But they are just as critical to success. Without exception, all of these tasks must be completed before the MOC can be closed out. The process owner and change SPA are "on the hook" until every last one of the actions are completed. Every omission here is an opportunity for a failure or an

incident to occur for the life of the change that was made. Omissions at this stage are the equivalent of planting land mines in your facility for the next generation to step on. "Later" does not mean it's unimportant, or can be ignored. It simply means later.

Although the SPA for executing the change may be responsible for performing many of the tasks, in an effective MOC process it is the owner of the system being changed that is accountable for ensuring that they have been done. Accountable in this context means "the buck stops here!" Their organization is, after all, the one that will have to live with the change, for good or for bad. It may not be the pilot who fuels up the airliner, but you can be sure he confirms the fuel level before taking off, and for the same reasons.

Confirm Effectiveness

At first look this strikes most people as silly. "Of course it did what we planned it to do!" This is an often overlooked but very important step in MOC. It is simply verifying that the change worked as intended. Not all changes give the intended results. And many, despite the best planning, result in unintended and often undesirable consequences. The organization expended resources and possibly incurred some increased risk in order to gain some benefit. They expect to get it. The method of determining effectiveness is best developed and documented prior to approving the MOC.

Then, if the change is not going as planned, the options are simple: restore the system to the original configuration, which includes all of the necessary follow up actions and

communications necessitated by the change. Or execute a new MOC to address another option. What you must not do is keep on “tinkering” and changing the change until it is outside of its original approved scope, hoping to get it right without a repeat of the previous steps. This defeats the purpose of the original MOC. An MOC is not an open-ended license to experiment, although most experiments need to have an MOC performed.

Confirm Mitigation and Follow Up

This is the part that everyone hates. Every last mitigation item, from document update, to setting up spare parts, to training the users, that was identified as a condition for approving the MOC must be completed and completed on time. There are several very real reasons for doing this:

First of all, it is how you will ensure that you have not left behind any of those potential landmines to step on. It is where you prevent creating or worsening future emergencies. Have you ever tried to troubleshoot an electrical system problem with out-of-date prints? Or done the same with software that has undocumented changes? How about when that new, improved bearing that was supposed to last five years, reaches five years in service? When it fails because you have not set up the required lubrication PM, and the correct spare isn't in stock (because you did not change the BOM, or add the stock number), and the old bearing won't fit the modified shaft, what do you do now? To those without good MOC processes in place, it becomes another emergency and another opportunity for an undocumented midnight modification.

Secondly, this is how you ensure that the change “sticks” and that some or all of the new conditions do not morph back into the conditions prior to the change. Sustainability is a critical element of a successful change.

In this step you build the foundation for sustainability. How important is sustainability? The best example of this is a very minor control system set-point range change. It absolutely fixed a problem that was costing well over \$500,000 in losses per year. As a loss elimination exercise it was fantastic: teamwork, structured problem-solving, an enormous ROI measured in orders of magnitude. And one month after the problem was “cured”, the problem was back. The relatively minor mitigation item: “update SOP and re-train all control room operators” almost got done. And no one continued to confirm effectiveness. Entropy is at work out there. When left to themselves, systems will always degrade to the lowest state.

Finally, there are sound legal and ethical reasons. Let's say you were in the habit of making changes without an MOC process and as a non-hazardous industry your business did not require formal MOC. If there is an accident as a result of a not-too-well-thought-out change, you may be found to be guilty of ordinary negligence. If, on the other hand, you make a well thought-out change, clearly identify a risk and the mitigation tasks to control it, but do not complete the task, then your degree of negligence ratchets up to a whole new level. You just might be found guilty of culpable or criminal negligence. And regardless of the legal outcome, if someone is injured, your conscience leaves you nowhere

to go if you failed to do what you knew needed to be done.

So until all of the stated risk control action items have been completed, we do not proceed. A best practice is to publish a list of outstanding action items that are within one month of being due for completion. Another is to report all action items immediately to site management the minute that they are overdue or at risk of becoming so. Legal reasons aside, the potential risk to your business generated by overdue action items can be considerable. The best practice is a zero tolerance policy for overdue action items. If your organization does not have the resources to execute all of the tasks necessary to control reasonable risk associated with changes, then you are making more changes than you can control. And most likely, an appreciable number of the reactive situations that are tying up your valuable human

resources are the results of past uncontrolled changes.

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