BUILDING AND DEVELOPING THE CHANGE CAPACITY OF AN ORGANISATION

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Abstract

Regardless of their scale, organisational changes are, most often, unpredictable and worrisome. However, organisations must find the most effective ways to adapt to the changes from the environment where they operate.

This article presents the results of identifying and analysing the causes which are the main obstacles to the change management. Based on the study, we identify and express measures for building and developing the change capacity of an organisation. At the same time, we also identify the means by which the change capacity of an organisation can be improved given the research conducted and the analysis of certain works from the literature.

Keywords: organisational change, change capacity, organisational change failure

JEL Classification: M10.

1. Introduction

Michael Jarrett, one of the most renowned specialists in the field of change management, adds to the following very well known American saying: "change is like death and tax – inevitable." However, the author mentions, "we can choose every time how to answer it: we can accept it or oppose it." (2011: 23)

The idea of "change – inevitable phenomenon" is also found in Liz Clarke who believes that "change is the very essence of developing a business ... It's strange that we behave stubbornly in acting according to the deceptive assumption that things will remain unchanged." (Clarke Liz, 2002: 18)

In the context of a dynamic economic and social environment, of the scientific and technical progress and increased competitiveness, organisational change has become a subject highly debated and analysed by the theorists and practitioners in the field.

Change management is a ubiquitous topic in the literature given that both specific concepts and principles are increasingly integrated in other subjects. (Marge Combe, 2014)

Nevertheless, the failure rate of the organisational change implementation remains high. Experts have identified several causes for this, including: bureaucracy, conservatism of the organisational culture, leadership inefficiency or the organisation members' resistance to change. (Bennebroek Gravenhorst, Werkman and Boonstra: 2003)

The concept of change consists of "the significant change of a status, of a relationship or of a situation in a political, economic and social context of the organisation, whose elements affect the people working within it." (Petrescu Marius et. all, 2010: 28)

Buono Anthony and Kerber Kenneth (2009) consider it important to distinguish between the concept of "preparation for change", which represents the ability to implement a specific change, and the "change capacity", which means the ability of an organisation to change not just once, but as a normal course of events, as a response to anticipating the internal and external changes.

In our opinion, no organisation can develop unless it wishes to be open to all that is "new" and unless it succeeds in adapting itself. Therefore, a careful analysis of the change capacity of an organisation should be made and then identify some tools for building and developing it. We believe that this will lead to improving the efficiency of change management as well.

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2. The main causes of the failure to implement the organisational changes

"Organisations are faced with frequent changes in the market sphere, in the individual preferences and in the socio-economic context. Therefore they must react quickly in order to survive. Unfortunately, many of them fail to do this, the statistics showing that the average lifespan of a company does not exceed 40 years; on the contrary it is reduced because of the organisation's inability to transform and adapt itself fast enough. For this reason, tackling change has become an essential aspect of the competitive advantage." (Clarke Liz, 2002: 12)

The research conducted by Scott Keller and Carolyn Aiken (2009) found that approximately 70% of the attempts to implement organisational changes fail. The two authors mention that the low rate of success of the change management is caused by two main elements: the employees' attitude and the management's behaviour. (McKinsey Quarterly Report, April 2009)

The studies in the field conducted by Prosci Company (2012) identify five main obstacles in the change management:

1. ineffective support from the leaders. Approximately 80% of the change initiatives that have benefited from effective support from the leaders have met or even exceeded the targets set. Among the problems identified in this area, we include:

- poor or conflicting involvement, low commitment towards change from the initiators of the change process;

- lack of alignment between the objectives of the change process and the organisational objectives, which creates confusion among employees;

- lack of authority from the initiators.

2. insufficient resources. The process of change is made difficult when the organisation's management does not really support the change initiative, and the human, material, financial, etc. resources are insufficient or inadequate;

3. resistance to change from the employees, middle managers or top managers;

4. inefficient and weak communication.

The people's reactions towards change in general and the organisations they are part of, in particular, are marked both by positive and negative aspects. Among the positive aspects we mention enthusiasm, challenge, acquiring new skills, enhancing knowledge and getting rewards. Clarke Liz (2002)

The negative reactions towards change are usually marked by fear, mistrust, anger, stress, disorientation, loss of the sense of belonging to a group, lack of concentration, conflict, resistance, etc.

Among the causes of resistance to change from the employees we identified the following:
- the lack of understanding regarding the need for change;
- employees who are close to retirement or who do not want to learn something new;
- the feeling of insecurity when faced with change;
- unpleasant experiences related to previous change processes;
- employees involved in too many change initiatives.

The resistance to change from managers is caused by the following reasons:
- managers do not support the change initiative because they do not understand or do not accept the need for change;
- insecurity when faced with change and the fear of losing control and/or the place of work;
- lack of knowledge and skills in the field of change management;
- lack of time to properly manage the change process;
- lack of confidence in themselves, based on negative experiences regarding the implementation of previous changes.

Furthermore, clear, transparent and honest communication regarding the need and impact of change is essential for the success of the initiative. In addition, the person who

transmits messages must have sufficient authority in the organisation so that the communication has the desired impact. It is important for the communication process to focus more on the need to change and less on the details of the implementation, so that people do not lose sight of the main objective during the implementation of the change process. (www.manageranticriza.ro)

3. The need for building and developing an organisation's capacity to change in the current social-economic context

According to Michael Jarrett (2011: 19), "the great managerial challenge is not that of understanding the need for change (this, though a crucial moment in the process of change, is only the first step), but to make the actual change."

Marge Combe (2014: 14) believes that in order to have positive results from the implementation of the change management, sufficient attention must be paid to the question "how could change management be effective if the organisation is not ready for change?."

Why do some companies manage to successfully implement an impressive number of change initiatives, while others fail in such projects? What is the difference between the organisations that manage to implement the change and those who fail? We agree with the experts' opinion that the difference lies in the "change capacity" of the organisation. This reflects the attitude and the essential internal capacities, as well as their dynamics, which helps them adapt to the changes from the external environment.

The literature presents some models that try to assess how ready an organisation is for change, but, as Weiner Bryan (2009: 29) said, "as opposed to preparing individuals for change, that of the organisations has not yet been the subject of some in-depth theoretical research or of empirical studies."

Bennebroek Gravenhorst, Werkman and Boonstra (2003) consider that in order to assess the change capacity of an organisation, six aspects should be considered: the objectives and strategy of the organisation, the structure, the culture, the technology, the employment characteristics and the power relations. Following their analysis one can identify the means by which the change capacity of the organisation can be developed.

4. Means of improving the change capacity of an organisation

A certain resistance to change is inevitable and we consider it as being even welcome in some cases, but we should consider measures for compensating it. At top management level this can be achieved by increasing the level of understanding regarding the need for change (or its foundation), the elaboration of its implementation plan and the analysis of the possible results both on short and medium or long term.

At middle management level it is recommended to highlight the way in which change affects the people in the organisation, direct and transparent communication with those affected by the change and the involvement of the employees in the process of change.

Change management does not only involve implementing the change itself but it must include actions that can achieve the organisation's adaptation to change.

We consider that they should be carried out continuously and not be undertaken only when the need for change has already been identified. The change capacity of an organisation is built and developed over time and it requires the involvement of all its members. These actions concern the following:

- adapting the organisational structure to the innovation elements introduced;
- rethinking the strategy from the new perspective of change;
- readapting the management systems of the organisation, namely the information system, the decision making one, etc.

- promoting a management style that not only fosters change, but also attracts the members of the organisation towards change and towards expressing their creative potential;

- the action on the organisation's human resources from the perspective of improving the qualification and re-qualification of the organisation's members, rethinking their position in the organisation, along with remodelling their behaviour (attachment, loyalty, promotion of the organisation's interests, etc);

- shaping new qualities of the organisation corresponding to the changes made and to the ones to come;

- rethinking the system of values that must underpin the organisation's orientation (production of clean goods, increase the quality of after-sales service, etc.).

Ovidiu Nicolescu and Ion Verboncu (2008: 345) consider that "in the current economic environment, managers are increasingly faced with the issue of learning, of preparing for change."

This involves the following:
- clarity of objectives at all levels of the organisation;
- planning the actions and involving the managers and specialists in resolving the relevant issues;
- empowering employees to support the change initiatives;
- assessing the performance and providing certain answers;
- capitalising the ideas of the organisation's entire staff;
- becoming aware of the fact that the change is a learning process.

The degree of attention towards the human resources involved in the change process triggers the success or failure of the change initiatives.

The experts in change management propose a set of four conditions required for a successful organisational change, considering the nature of the organisation's human resource, including its irrational and unpredictable dimensions (www.manageranticriza.ro, April 2014)

- development of attractive incentives;
- providing a behavioural model;
- strengthening the change implementation and support mechanisms;
- building the organisational capacity for change.

The experts in change management and scholars have analysed some contextual conditions affecting the organisational readiness for change (Weiner J Bryan, 2009). Jones RA, Jimmieson NL, Griffiths A (2005) argue that an organisational culture that includes innovation, risk-taking and learning supports the organisational readiness for change. They also emphasise the importance of some flexible organisational policies, the role of the organisational environment in promoting the organisational change and the previous positive experience that can stimulate the willingness to support the organisational transformations.

5. Conclusions

The organisation that does not accept the change as an efficient and competitive process will no longer be competitive; it will no longer be able to meet the new requirements of the market and it will gradually lose its customers. The change can bring both improvements and deterioration in the performance of an organisation, which is why determining the timing for its initiation is one of the most important responsibilities of the managers. The role of managers does not stop only at the stage of identifying the need for change and the timing for starting the process of organisational change.

Since change means both threat and opportunity, the way in which the organisation's members perceive it is important and this is where the managers' talent has an essential role in paying attention in the long run to the attitudes and internal behaviours for developing the change capacity of the organisation.

The building and developing process of the change capacity of the organisation is a multi-faceted one, on long-term, and it involves the use of some important resources and the risk management. That is why we consider that one of the most important qualities of a change manager is his/her capacity to take responsibility for the risk. Each organisational change, regardless of its nature, is accompanied by a series of risks that must be understood and assumed by all the members of the organisation, but especially by the managers.

The development of an organisation involves constant changes; therefore it also needs to increase its capacity to adapt to the conditions dictated by the increasingly dynamic economic, social and political environment.

In our opinion, in order to be able to talk about developing the change capacity of an organisation, more attention should also be given to the evaluation process of the change, in order to analyse the way in which the measures required by the change have been implemented, in order to identify the possible deviations from achieving the set objectives, but also in order to identify new directions of developing the organisation.

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