TRANSFORMATION OF ORGANIZATIONAL CULTURE THROUGH CHANGE MANAGEMENT STRATEGY

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Abstract:

In today's society the change process plays a central role and is used commonly in our day to day working. Change may be initiated by a crisis, new demands, or innovation proposed by someone in the organization. Change occurs through a random process of looking for new solution, or a planned approach to solving a problem. There is uncertainty, confusion, searching and probably conflict. Change slows, as new ways replace the old ones and become standard practice as staff members accept the new situation and act in new ways.

More than 70% of transformation efforts fail. Because organizations don't take a consistent, holistic approach to changing themselves, nor do they engage their workforces effectively.

Applying change management processes into the organization can be

helpful in achieving internal and external objectives, and in diagnostics of problems associated with the transformation before the organization become a crisis. That why, firstly it's important to understand the main theories and methodologies relating to change management.

This article provides a glimpse into the change management models and its impacts on the organizations. We focus on various change management theories and methodologies that can help to provide the successful implementation of change within the organizations.

Keywords: change management, organizational change, change process, ADKAR Model, Lewin's Model of Change, Kotter's Change Model, The Change Curve, Change management concept, Change Management Activities.

In today's dynamic business environment, change management is the main game-changing factor that helps organizations to retain their competitive advantages. The way companies manage changes in different areas and how successful are at it depends largely on the nature of business, the change and the people involved.

Purpose of the study and research question.

The research reported in this article is designed to understand the potential of change, reasons for it, and evaluate the benefits of integration into the organization. We think that discussion of all these points is completely relevant today because if the company performs integration of change without careful analyzing, it can miss out on revenue opportunities from this implementation, and make erroneous and costly decisions using inefficient business processes.

Metodology

The research comprised of a literature review and observation of existing practices for understanding the impact of change on the organizations and its employees.

Theoretical framework

Today, change is a critical resource for creating organizational value. It has the potential to dramatically change the nature of products, processes, companies, industries, and even competition itself [5].

Management of changes is a structure approach to ensure that the changes are successfully implemented into the organization and to achieve long-term benefits of change.

Many researchers and practitioners focus their attention on the importance of change management because it's a rapidly growing discipline that is being increasingly deployed on a global scale by all types of organizations. It's a structured approach that promote the adoption by groups and individuals within an organization [3].

The process of organizations change combine a different disciplines beginning from behavioral science to innovational technologies. But the basic principal is that any changes can't happen in insolation, they impact the whole organization and each individual and process associated with it [3].

This kind of change process aims to resolve the common problems of the company including improvement of the business planning process, effective evaluation practices and corporate functioning.Henry Mintzberg (1982, 1986) has defined different typologies of organizational configurations, which are useful in the study of organizational change [8]:

1. The Entrepreneurial Organization (pre-bureaucratic) has a simple, flat structure and rules. The organization is informal, fast, flexible and non-standardized compared with other types of organization, and it's a model that many companies want to copy. A growth is a significant risk for the company because all decisions and success depend on one or two individuals. Example: Young or one-person companies.

2. Machine Organization (Bureaucracy) has standardized and formalized structure with close hierarchical control. These organizations depend on economies of progression for their success and can be very efficient. Example:

companies with high competition and low profit margins.

3. Professional Organization has a complex structure with lots of rules and procedures. These organizations are very hard to change. In such companies usually all employees are well educated, qualified and have a high degree of specialization. Example: lawyers, consultants

4. Divisional (Diversified) Organization has multiple business units, brands and product lines. Example: Global organizations.

5. Innovative Organization ("Adhocracy") has a low standardized structure, and very limiting complexity and centralization. This type of organization is very difficult to control, because power is delegated and decision-making process is decentralized, and it has a lot of challenges related to ambiguity in the roles, responsibilities, authority and power. Example: Movie-making, consulting, and pharmaceuticals.

Change Management Perspectives. It's important to understand that the implementation of any changes it's only the first step, but the most complicated it's to adapt these changes to the people within organizations that change. Therefore, the successful organizational change management begins with understanding how to manage change with one person.

In our article we analyze the ADKAR Model (Figure 1) that has been developed by Prosci, the world leader in change management research. This model is a results-oriented change management tool that allows change management teams to focus their activities on specific business results [10].

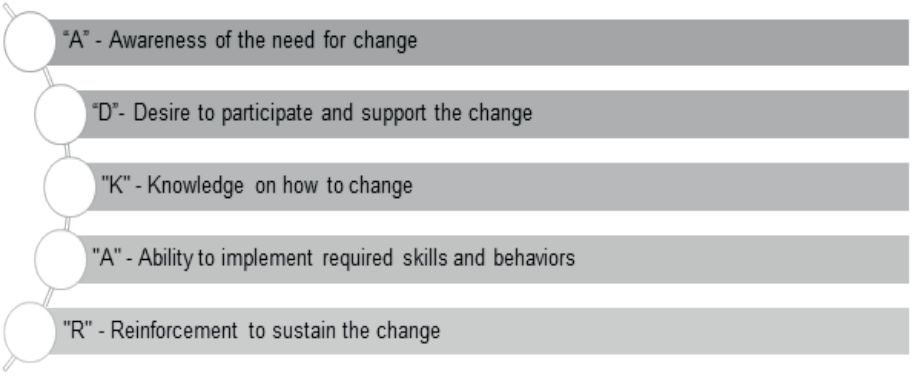

Fig. 1 The Prosci ADKAR Model

Change Theorists

To show how successful change can be encouraged and facilitated for long-term success, we analyze three basic change theories.

1. Lewin's 3-Stage Model of Change [2]

Kurt Lewin developed one of the fundamental models for understanding the organizational change. This model involve three steps: unfreezing, changing and refreezing. You can see this in Table 1, below.

Table 1 Lewin's 3-Stage Model of Change

Stage	Description
Unfreeze	- Prepare the organization to accept that change is necessary; - Develop compelling messages for why the existing way of doing things cannot continue; - Challenge the organizational beliefs, values, attitudes, and behaviors; - Expect uncertainty.
Change	- People begin to resolve their uncertainty and look for new ways to do things; - People start to believe and act in ways that support the new direction; - They take time to embrace the new direction and participate proactively in the change; - They need to understand the benefits of the change; - Realize that not everyone will fall in line just to support the change and its benefit.
Refreeze	- Changes begin to take shape and people embrace the new ways of working; - Outward signs include a stable organization chart, consistent job descriptions, and so on; - Changes are internalized or institutionalized through incorporation into everyday business; - Acknowledgement of people's efforts reinforces their belief in future changes; - Celebration of the success of the change helps people find closure.

A lot has changed since the theory was originally presented in 1947, but the Kurt Lewin model is still extremely relevant. Many other more modern change models are actually based on the Kurt Lewin model.

Lewin's change model starts by preparing the organization to accept the change and moves through the change process by creation the new behavior and understanding the importance of transformation the ways of working. The process of change ends when the organization develops and integrates the new methods of effective cooperation within the company. All these phases also integrate specific activities that involve motivation, implementation, and adherence to organizational changes.

2. Kotter's 8-Step Change Model [6, 7]

In 1996, Kotter introduces the 8-Step Process in his book "Leading Change" that explain how to transform basically all aspects of business and integrate the management of changes quickly, continuously and with powerful results. You can see this in Table 2, below.

The main idea of his model is that for change to be successful, 75% of a company's management needs to buy into the change, and he introduces an effective eight-step process that can help to implement successfully any transformations into the organization.

Table 2 Kotter's 8-Step Change Model

Step	Name	Description
Step 1	Establishing a sense of urgency	- Help others see the need for change and they will be convinced of the importance of acting immediately
Step 2	Creating the guiding coalition	- Assemble a group with enough power to lead the change effort - Encourage the group to work as a team

Step	Name	Description
Step 3	Developing a change vision	- Create a vision to help direct the change effort - Develop strategies for achieving that vision
Step 4	Communicating the vision for buy-in	- Make sure as many as possible understand and accept the vision and the strategy
Step 5	Empowering broad-based action	- Remove obstacles to change, change systems or structures that seriously undermine the vision - Encourage risk-taking and non-traditional ideas and activities
Step 6	Generating short-term wins	- Plan for achievements that can easily be made visible - Follow-through with those achievements and recognize and reward employees who were involved
Step 7	Never letting up	- Use increased credibility to change systems, structures, and policies that are not aligned to the vision - Hire, promote, and develop employees who can implement the vision - Reinvigorate the process with new projects, themes, and change agents
Step 8	Incorporating changes into the culture	- Articulate connections between new behaviors and organizational success - Develop means to ensure leadership development and succession

3.The Change Curve [9]

The Change Curve is a popular and powerful model that based on a model originally developed in the 1960s by E. Kübler-Ross to explain the grieving process. It used to understand the stages of personal transition and organizational change. It helps to predict the reaction of people on the changes. It's very important because, in fact, the organizations don't change because they integrate a new systems, processes or structures, they change because the people within it adapt and change too.

The Change Curve model describes the four stages most people go through as they adjust to change. You can see this in Table 3, below.

The Change Curve is a very useful tool when managing individual or team changes. Information that we can obtain by using this model can minimize the negative impact of the changes and help people adapt to it more quickly and effective.

Leading Change

In the current business environment, companies are looking to gain, or, at least, to maintain competitive advantage, which often depends on the ability to react quickly and decisively to new business opportunities. At the same time, requirements, technology and the nature of corporate mobility itself are expected to change dramatically over the next few years. No organization hoping to remain competitive can ignore the fact that individuals live in an increasingly change world. In this way, transformational nature of successful management of changes is changing how companies run [10].

Table 3 The Change Curve

Stage	Reaction	Behaviors
Status Quo	Shock/Denial	• Introduction to change • Reaction to challenging the status quo • Tendency to react negatively
Disruption	Anger/Fear	• Reality sets in potential fear of the impact • Resist change actively or protest against the changes • Results in the organization experiencing disruption • Cascades into chaos if not carefully managed • Change resistance leads to unsuccessful change • Stressful and unpleasant stage

Stage	Reaction	Behaviors
Exploration	Acceptance	• Pessimism and resistance give way to some optimism and acceptance • Acceptance of changes and letting go of what was lost • Testing and exploring the impact of changes begins • The reality of what is good and not so good and how to adapt to it should be clear
Rebuilding	Commitment	• Accept and embrace the changes • Rebuild ways of working • Observe the organization begin to reap the benefits of change

Communication plays a critical role in integration on change and it management, without it the organization risk to reduce the productivity through the change. There are three key subjects of communication that analyze in Table 4 presented below.

Table 4 Key Communication Subjects

Subject Area	Notes
Present state	• Explain why the organization has to move away from the current state, and the dangers of staying there. • Understand the pressures that make it necessary to change. • Describe why the current state used to make sense, but the organization needs to change with the changing environment. • Clarify what will happen if the organization does not change. • Identify what the change will mean for each individual.
Future state	• Explain what the future will look like, why it will look like this and the advantages. • Identify parts which are clear and ones which are still hazy. • Clarify what the future state will imply for the people in the company

Subject Area	Notes
Intermediate state	• Communicate to build confidence. • Express confidence that although people may appear to be in a state that is completely out of control, this state has been accounted for in the planning process. • Explain that it is necessary step on the path to the future state and that the organization will soon move into the future state. • Show how the methodology will help reach the future state and what things will look like along the way.

In any organization communication is an ongoing and very important process. On each step of the change process the people have new ideas and problems, that's why the management of the changes should be effective [1].

Change Management Activities.

Effective managing of changes can improve many aspects of economy, lifestyle and culture. This technology is transforming how companies "do business" and how they interact with employees, customers, and suppliers.

During the integration the change into the organization the key factor is to identify the tasks that are important to change. While the successful implementation of the change poses a serious problems for any organization, there are still a variety of methods to help ease it through its transition. A simple and effective method is to use a change management trainings that can help the employees to understand their reaction to change and to develop a positive way of thinking. We identified the following key Change Management Activities:

- Ensuring in clear understanding of the reasons for change;

- Identifying of change agents for specific change activities;

- Estimation of all the stakeholders and determination of the nature of sponsorship, participation, and communication;

- Planning of involvement and project activities for the change sponsor or agents;

- Planning how and when the changes will be communicated and delivered;

- Analyzing of the impact of the changes on people and the organization's structure;

- Planning of activities needed to achieve the impact of changes;

- Ensuring that people involves by the change understand the change process and that they can help and support the organization during these changes;

- Assessing of training needs driven by the change and plan when and how this will be implemented;

- Identification of success indicators for change, and ensuring that they are regularly measured.

It's important carefully analyze all these aspects for effective managing of changes. The change affects people in a number of ways. It affects the way people work and interact with each other, and also on their performance and productivity. The change allows people to work actually anywhere and anytime with access to the same resources that they have in the office. In such an environment, employees can be more easily rewarded based on productivity, and thus management's focus will move from monitoring attendance to evaluating results – from activity to productivity. This, we think, is the most important points [4].

Conclusion

Today, the change management concept is actual for all modern organizations. Nevertheless, the way organizations manage changes in different areas and how successful are at it depends on the nature of business, the change and the people involved.

Change management is the process by which an organization gets to its future state, its vision that helps to achieve a desired outcome. That's why, the vision for change is the first step for creating change, and only after this begins the motivation of people to attain that vision. Change management includes effective strategies and methodologies to ensure that people involved in this process enable to achieve the new vision.

The world is changing fast and, most organizations must change, and change profoundly, if they want to stay alive.

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