

# A MULTIDIMENSIONAL AND MULTICAUSAL APPROACH OF MANAGERIAL CHANGES IN ORGANIZATION

Professor PhD **Ovidiu NICOLESCU**  
The Bucharest Academy of Economic Studies, Romania

## 1. Importance, permanence and complexity of change management

Undoubtedly, there is always change. The man himself is a product of cosmic change. The change concerned the elite of society, philosophy, since antiquity. For example, the famous Greek philosopher Heraclitus said since 500 before Christ "is nothing permanent except change. However, only in recent decades, change has become a central topic in quasitotalitatea areas of activity, including management lies at the very top.

In these circumstances, naturally, the question is why only recently the focus has been on change management at the company?

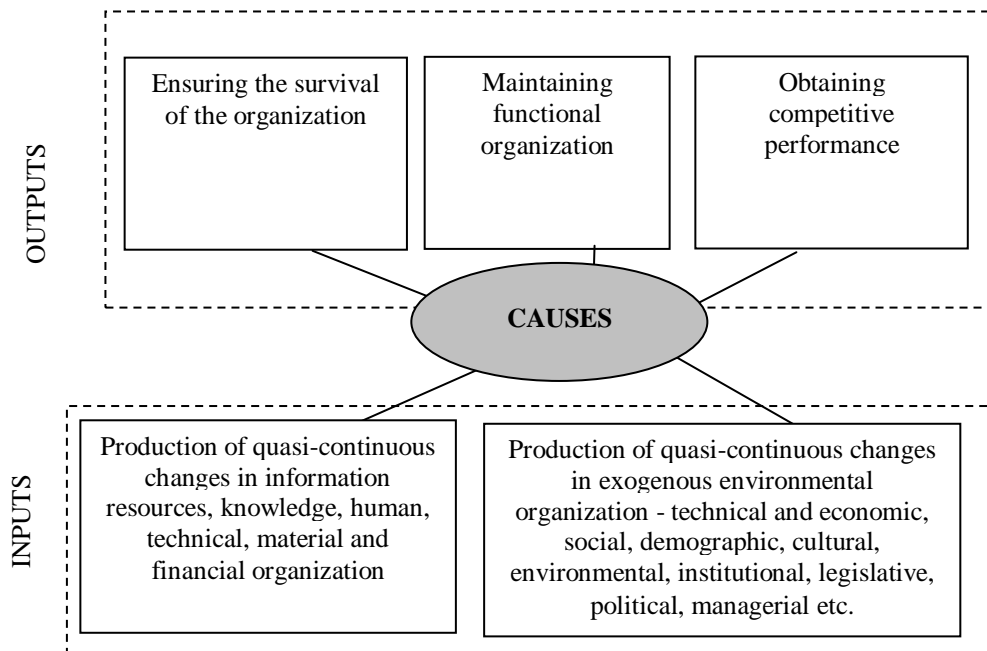
Responses to this question can be and - indeed - are multiple. A synthetic response, with high correlation to the current realities, the management offered renowned American specialist Stuart Crainer: "The changes currently faced by managers are more meaningful, broader and more pressing than they were in the previous period".

If you go to a more analytical approach, in terms of objectives and nature management organizations and can detect **a set of more specific causes** of this development:

- Production of quasi-continuous changes in information resources, knowledge, human, technical, material and financial organization require changes in their management;
- Production of quasi-continuous changes in exogenous environmental organization in the economic, technical, demographic, social, cultural, ecological, institutional, legal, political and management component that you require changes in the firm to exploit opportunities and eliminate or mitigate contextual threats;
- Making relevant changes at short intervals, makes the very survival of the organization, whatever its characteristics;
- Maintaining the functionality of an organization's current period is possible only through a succession of changes at various levels;
- Obtaining competitive performance of the organization depends decisively on the ability to anticipate the changes necessary to design and implement them effectively and efficiently.

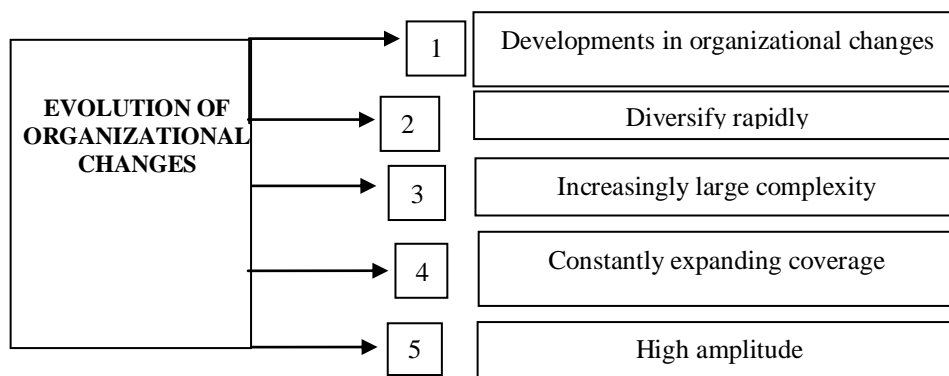
The assessment of cases presented, which of course not exhaustive, that they relate to inputs, into the organization - change in resources in the context of endogenous and exogenous it - and its outputs, of course, the last with a strong endogenous determination.

Changes in the organization, particularly those of a managerial record of dramatic changes in those parameters. Synthetic, can be summarized as shown in Figure. 1.



**Figure. 1 The main causes of change management in the organization**

Along with those developments, some experts find a **change of the nature of changes**. According to the renowned North American specialist Richard Pascale, some management changes are processed. In his view, the change is gradual improvement, step by step, while the transformation means a change, usually an improvement, involving disruption of the organization's capabilities. Necessitating an intellectual power far superior compared to normal changes. Whether or not to accept the difference between change and transformation, it is clear that the broad sense, the transformation is also a change of course that incorporates high quality components and substantial effect.



**Figure 2 Developments in change management**

Crossing the forefront of change management is reflected not only in management theory but also in organizational practice. Among the many examples that can be quoted on this plan, we summarize the one, which refers to the well-known company General Motors. Its management provide its employees "**a list of reflection**", which aims to encourage the development of new ideas for organizational change and to remind them that change is essential for General Motors to continue to be efficient, to be successful in business . This list includes the following questions:

1. A machine or a machine can be used to produce faster and / or better products?
2. Can be employed range of materials currently used in manufacturing?
3. Can Be Improved handling of materials and raw materials used by the machines are working on you or those around you?
4. Can imagine a device to combine and make operations more current?
5. Can be improved by changing the quality of manufactured components operations and their sequence?
6. Materials and raw materials can be cut and processed in another way, to generate savings or greater efficiency?
7. Can be made current work operations in more secure?
8. Can be removed some "paper" involved in your work?
9. Can be established simplified procedures for work?

The list, mainly for workers and other employees in the departments of production, a major contributor to the design and making changes to the General Motor Performance generators.

Intense concern in recent years for the generation and exploitation of change has its origin in the difficulty of their grounding in the essentials of their impact on the organization. Beer and Nohra teachers acquaintances from Harvard University have determined that about 70% of the changes initiated in North American companies failed, with multiple negative effects. Such a shocking percentage recorded in the U.S., a country renowned for the professionalism of corporate managers!

In organizations large and frequent changes occur. Of course, management can not deal with all, nor consider it necessary. Management organization can and must deal with significant changes, ie those that generate effects in terms of functionality and performance of the organization and its components, whose size justifies the concern and assistance to managers and specialists. Moreover, performance management anticipates a need for significant change, prepare and implement them to enhance the effects useful in organizational plan. Determined, changes in management are becoming more frequent, intense, complex and diverse, each conditional on the existence and performance of firms, in terms of transition to knowledge-based economy.

Furthermore, developing a new category of changes centered on knowledge and whose effectiveness depends on the quality and extent of recovery of the knowledge generated within and outside the organization.

## **2. Coverage of change and organizational innovation**

As change is pervasive in the organization can be relatively easily intuit that, practically, is embracing the organization, sooner or later any part of it is changing. The role of this paragraph is to emphasize who are the sort that can and should form the subject of change.

**Change and innovation in an organization are defined primarily in two ways:**

- ✓ amplitude, which relates to their scope of coverage
- ✓ depth, taking into account their intensity in the organization.

The first characteristic, **amplitude**, is the most visible, is relatively easy to identify, examine and drive. In Table. 1, inserted below, these elements are summarized.

### **The essential elements of organizational change**

**Table 1**

<b>Nr. crt.</b>	<b>The essential elements of organizational change</b>
1	Property
2	Vision
3	Mission
4	Leadership
5	Communications
6	People
7	Structure
8	Products and services
9	Technico-material resources
10	Activities
11	Systems and methods, techniques, procedures, instructions of any kind
12	Informations and knowledge
13	Rewards and penalties
14	Results

Browse table of contents shows the wide scope of coverage a part of organizational change and innovation and on the other hand, the prevalence of such managerial factors, which represent more than half of the items inserted into the table. In this context, it is essential to note that changes in the company are considering the four sub-components - technical, economic, management and human - plus organizational culture, which, though organically linked to the human subsystem, has many elements of specificity.

Regarding the **depth of change**, the second element under consideration, note that it is less visible and more difficult to identify and assess. However, it is not less important. Efficacy and effectiveness often depend decisively change its depth.

Change means a profound change that includes human factors, including aspirations, value systems, individual and group behavior, etc.. Depth change is mainly conditioned Guard involvement of managers, organizational and leadership capacity that it manifests.

To maintain and enhance the performance of a company, its competitiveness, it is essential that the processes of change and innovation to include - in width - all the high impact on the objective pursued while implementing profound change.

### 3. Multidimensionality of change

Characteristic of contemporary organizational change is given by their **multidimensionality**, which tends to increase further as they become more frequent, diverse, complex, intense, etc.. Below, synthetic, which are the sizes and consisting:

a) **Managerial**, which is that it directly, normally or indirectly, changes have to achieve certain objectives set by the management organization and their operational relationships and lead to changes in management processes, decisions, information, methods and techniques managerial, organizational factors and management techniques, etc.. The management dimension is more pronounced, the more likely the changes to have an influence on the organization, generate performance in its priority areas.

b) **Information-gnoseologic**, since any change is based on information and knowledge processes and, concomitantly, generates information and new knowledge. With intelectualizării economic activities, information and knowledge related changes are amplified and have a broader impact on its running, causing an increase in this dimension. Knowledge revolution occurring today, switching to economy, business and knowledge management, will steadily increase the size of the organization's impact.

c) **Human**, which is to change and the emergence of new aspirations, values, behaviors, etc., individual and group. Without changes in human organizational changes do not occur, however intense as other dimensions. Essentially, change management means behaviors and actions of employees and groups within the organization.

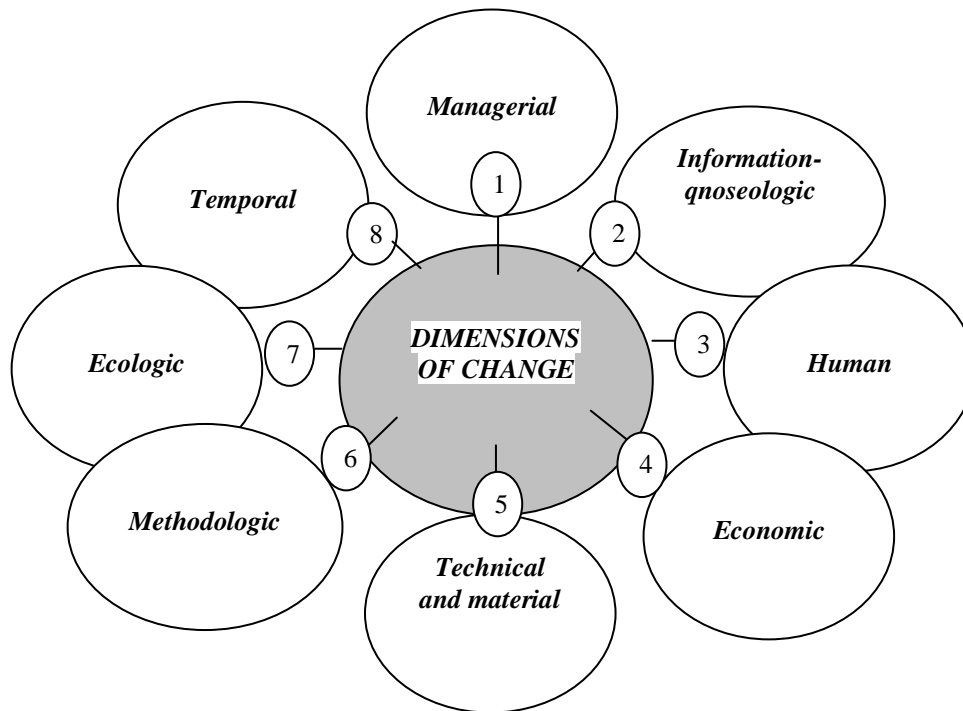
d) **Economic**, meaning that any changes require time consuming employees and certain fish, which means costs to the organization. In addition, the change affects the organization's income directly or indirectly. Therefore, any change is influenced more or less direct and indirect costs of size and dynamics, monetary flows, income, etc.. Economic factors often act as a restriction in the design, conduct and complete the change.

e) **Technical and material**, as there is no change in the use of existing resources and facilities, causing changes in their use and their status. When changes have a larger scale, to produce, resort to resources and technical and material means more specifically acquired within the organization. Technical and material side of change is most visible and measurable, is easy to notice, which explains the importance that is given.

f) **Methodologic**, because any change is something new in terms of approach, rules, procedures, techniques, methods, systems used for operational processes involved. If essential changes, methodological changes are extensive, not infrequently implementându the new methodology. Depending on the dominant organizational change, methodological factors are economic, technological, organizational, informational, etc..

g) **Ecological**, since very often changes in the organization have a greater impact or less intense, immediate or mediate, on some elements of the environment in which organization operates. For certain types of organizations - mining, agricultural, metallurgical, petroleum, chemicals etc.. - Environmental influences are very wide and easy to grasp. In the present period there is a pronounced trend of instituting the importance of environmental dimension and to take account of it.

h) **Temporal**, which consists in carrying out change in a given period, large or small, in a certain sequence of operations, phases, etc.. which operaționalizează change. Due to accelerating technological developments, economic, informational, human, etc., The time dimension tends to become, amid the compression periods involved, more important. The employment change during the optimal condition to an extent becoming wider overall performance within the organization and its components.



**Figure 3 Multidimensionality of organizational changes**

Naturally, the dimensions shown (see Figure. 3), which are found normally in all organizational changes, manifested with different intensities from one situation to another. Multidimensionality of change, complex interdependencies and effects generated by the eight dimensions presented, explaining why changes are so difficult and involves many elements of uncertainty regarding the progress and results generated. The famous philosopher, historian and diplomat, Machiavelli, the well before these issues in 1500 by the following wording: "Nothing is more difficult to run, with doubtful chances of success and more dangerous than the change introduced. Recall that in the meantime, changes have become faster, complex, large, etc., Which gives a higher value Machiavelli's assertions. Awareness of these developments, the essential importance of the change was made very suggestive of the famous U.S. President John Kennedy who in a speech in Frankfurt in Germany, in 1963, said: "Change is the law of life. Those who look only in the past will certainly lose future.

#### **4. Typology of change**

In organizations, as the operating environment, there is a wide variety of changes. To facilitate the understanding and especially to ensure their effective and efficient management, is particularly useful to classify them according to relevant criteria. In Table. 2 a brief **typology of changes** in the organization, made by us.

## Typology of change within the organization

Table 2

No.	Criterion	Types of changes	Characteristics of the type of change
1	The importance and extent of change within the organization	A. Strategic	<ul style="list-style-type: none"> <li>▪ Covers all the organization or a substantial part of its activities</li> <li>▪ Determine substantial changes in the resources and activities</li> <li>▪ Need to complete a long period, usually several years</li> <li>▪ Generate a substantial change in functionality and performance organization</li> </ul>
		B. Current	<ul style="list-style-type: none"> <li>▪ Refers only to certain parts of the organization, often representing only a small share of overall organizational system</li> <li>▪ Determine a relatively low impact on resources and activities</li> <li>▪ Complete, usually in relatively small periods, usually of the order of hours, days or weeks</li> <li>▪ Generate small scale changes on functionality and performance organization</li> </ul>
2	Nature of change within the organization and the system covered	A. Technical	<ul style="list-style-type: none"> <li>▪ Refers to products, equipment, technologies, materials that form the organization's technical system</li> <li>▪ Are easily visible and controllable, whereas such changes take the form of material</li> <li>▪ Is based mainly on technical knowledge</li> </ul>
		B. Economical	<ul style="list-style-type: none"> <li>▪ Refers to the costs, revenues, cash flow, etc., which form the content of the economic system within the organization</li> <li>▪ Are difficult and controlled, because "stealth" economic substance</li> <li>▪ Is based mainly on economic knowledge</li> </ul>
		C. Human	<ul style="list-style-type: none"> <li>▪ Refers to individuals and groups of people in the organization, the aspirations, value systems, attitudes, actions, etc.</li> <li>▪ Are the most numerous, varied and dynamic in an organization</li> <li>▪ Provides a high fluidity</li> <li>▪ Are largely quasicontinuous</li> </ul>

No.	Criterion	Types of changes	Characteristics of the type of change
		D. Managerial	<ul style="list-style-type: none"> <li>▪ Refers to the organization's management system</li> <li>▪ Are mostly scheduled</li> <li>▪ Generate, directly and indirectly, quasitotalitate previous types of changes</li> <li>▪ Makes a decisive measure of functionality, effectiveness and efficiency of organization</li> </ul>
3	Change over time	A. Evolutive	<ul style="list-style-type: none"> <li>▪ Takes place over relatively long periods of time</li> <li>▪ Generate gradual effects, usually small</li> <li>▪ Not determined, usually dramatic consequences for large-scale, the organization</li> <li>▪ There is under the organization's stability is maintained</li> </ul>
		B. Revolutionary	<ul style="list-style-type: none"> <li>▪ Incumbent a substantial novelty, differs radically from what exists in the organization</li> <li>▪ Takes place during short periods or more than average</li> <li>▪ -To "break", discontinuities in resources, activities, results etc..</li> <li>▪ Generate often spectacular effects, the scale, the organization</li> <li>▪ There is often in conditions of instability in emerging and developing situations of intense conflict between promoters of change and other components of the organization</li> </ul>
4	Mode show	A. Reactive	<ul style="list-style-type: none"> <li>▪ Appear as immediate reactions to forces from outside and, more rarely, within the organization</li> <li>▪ The current predominant content and often a small scale</li> <li>▪ Increase frequency with the degree of turbulence of the environment in which organization operates</li> <li>▪ Reduces frequency along with increased capacity forecast management organization</li> </ul>



No.	Criterion	Types of changes	Characteristics of the type of change
		B. Proactive	<ul style="list-style-type: none"> <li>▪ Are designed and analyzed by managers or professionals based on anticipating the emergence of opportunities and threats in the environment of the organization and weaknesses and strengths</li> <li>▪ Are focused on achieving certain objectives</li> <li>▪ There is compared with the previous type of change, with a lower frequency, but with upward trend</li> </ul>
5	The role of human factor in initiating and carrying out change	A. Scheduled	<ul style="list-style-type: none"> <li>▪ I expected and prepared in advance by managers and specialists</li> <li>▪ The conduct is directed and supervised</li> <li>▪ Often generate considerable efficiency</li> <li>▪ Are characteristic of competent organizations</li> </ul>
		B. Spontaneous	<ul style="list-style-type: none"> <li>▪ Takes place at random, without being initiated and previously prepared</li> <li>▪ Provides a large variety of forms of expression</li> <li>▪ Generates mixed effects, some surprising</li> </ul>

Identifying the type of change managers, according to the criteria mentioned, can enhance their effectiveness and efficiency, the direct reflection of the competitiveness and overall performance of the organization. With the scope, diversity and rapid change within and outside the organization increases, knowledge and use of typology of change is becoming increasingly necessary and appropriate organizations, is a prerequisite for competitiveness and sustainability.

### References

1. S. Certo, Carol Sales, F. Owen, *Modern Management*, Prentice Hall, Scarborough, Ontario, ediția VII, 2001, p. 301.
2. S. Crainer, *Key Management Ideas*, Prentice Hall, New York, Ediția III, 2001, p. 141.
3. G. Dessler, F Starke, D. Cyr, *Management*, Prentice Hall, Toronto, 2001, p.17.
4. P. Drucker, "Inovația poate fi administrată în mod sistematic dacă știi unde și când să te uiți", traducere, în *Managementul Schimbării și inovării*, suport de curs, Institutul Manager, București, 1997, p 1-2.
5. O. Nicolescu, I. Verboncu, *Managementul organizației*, Editura Economică, București, 2007
6. O. Nicolescu, C. Nicolescu, "Consultancy and Counseling in Romanian SMEs", *Revista de Management Comparat International*, Vol. 9, Nr. 2/2008 București, 2008

7. O. Nicolescu, Luminița Nicolescu, *Economia, firma și managementul bazate pe cunoștințe*, Editura Economică, București, 2005
8. R. Pascale, *Managing on the Edge*, Viking, London, 1990.
9. xxx *Change Management*, KPM6, 1993.

*This work represents a dissemination of research results for contract PNII - IDEAS no. 1470/2009, entitled "Strategic directions of value added growth in Romanian SMEs in the context of knowledge management", project director Professor PhD. Ovidiu Nicolescu.*