

# Factors That Trigger Changes in Modern Organizations

Simona MASCU<sup>1</sup>

## *Abstract*

*The whole world is now going through a period of great transformations, some determined by elements of progress, others by elements that endanger the proper functioning of society.*

*The organizations face an increasing complexity in their external and internal environment, facts that determine them to be more prepared than ever to embark on different types of changes.*

*It is managers, but especially leaders mission to assure that their organization, both in hard and software sides are able to cope with new range of challenges.*

*COVID-19 pandemic created a disruptive change at the level of society and economy, making the organizations to fight for survival and development. This paper examines some important factors that trigger changes in modern organizations and to which the leaders should pay high attention in order to be sure that they will be able to continue the existence of their organizations and that they will contribute to the mission of making a better world for all the involved stakeholders.*

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## **1. Introduction**

The organizations evolve in an environment that is characterized by high dynamics, with more unforeseen events that are placing many pressures for taking actions. If few years ago, the stability was the normal status-quo, today we can see that the normality is change.

We can practically assist to a high pace transformation of the whole society, going from one stage to another without leaving too much time for people and organizations to understand well the characteristics of each stage.

It is easy to see that evolutionary changes are embracing more and more characteristics of transformational changes and these aspects place new challenges for managers and their organizations.

Even if we consider that change is part of ordinary life, it is not always easy to deal with it and in many cases we see people and organizations resisting to it.

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<sup>1</sup> Simona Mascu, Bucharest Technical University of Constructions, e-mail: mascu\_simona@yahoo.com

In order to navigate successful across changes we have to identify and understand the causes that trigger them (Burke, 2017) (Hiatt, Creasey, 2012), the factors that affect them and to design the best answers to them (Hayes, 2010).

If we take into consideration that annually about 10% of companies disappear, not being able to cope with the different demands, we could understand the need for understanding and preparing the necessary changes.

We have to mention here that the whole environment became more complicated for the organizations, due to the COVID-19 pandemic.

If the threats are clear, we also must show the other part of the coin: the companies that succeed to overcome the barriers and difficulties not only that survive, but they have good chances to prosper and to flourish.

## **2. Internal factors that influence the changes**

Organizational change is a process with a huge impact on the design and results of a company. An important element is to know the features of the organization and the modalities in which they can be modified. Thus, you can assure the biggest harmony among the elements of the company, its culture, the needs and expectations of personnel and the company's goals.

By acting in such a manner someone builds up the basic requirements for the success of managers and for arriving to the desired results.

Nowadays, the performance is more connected to the managers' ability to navigate in not very clear waters, relying more and more on technology and different devices.

But, we shouldn't miss that the critical resource for an organization remains the human resources, named also human capital.

### **2.1 Organizational objectives**

Establishing the objectives is an extremely important process as by the final ends depend all the decisions and actions that are put in practice in a certain period of time.

That's why the diagnosis and SWOT analysis that precede this process must be paid high attention in order to present an accurate picture of organization and its environment, but also some future tendencies.

The area of the study is an important stage as it influences how the whole analysis is designed and how the outputs from here will transform in the inputs for objectives setting process.

Having this in mind, a careful analysis of the elements that determined the start of such analysis might be useful. Further we have to figure out how the outputs of such analysis are going to be integrated and used in order to set the future directions.

It is important to keep in mind that present decisions are going to produce results not only now, but also in the near and further future! This means that the

conclusions of our different analysis provided by the organizational diagnosis prove to be valuable in having the desired future. It is important to know very well the business model that is in place, but also its future development, in order to remain competitive (Ritter, Lettl, 2017).

Before passing to setting objectives, it is necessary to define all the concepts that we are working with, in order to be sure that all the managers share the same understanding, they provide the same content, the same interpretation that all the managers embark on the same team.

The organizational objectives will provide stability for organizations despite of different pressures coming from outside or internal environment.

## **2.2 Labor force**

The characteristics of the labor force take into account the differentiation of the labor force in certain categories, based on different criteria that are of interest for the managers.

The labor enjoys today a higher freedom in what concerns its movement, not only locally or nationally, but also across the borders. It means that in organizations we are going to meet employees with different backgrounds, qualifications, professional training a.s.o.

These elements are doubled by their attitudes, behaviors and values that are posted and to which the managers should pay careful attention in order to be able to integrate and to harmonize the people in performant teams.

It is important to see how these increasing differences in employees characteristics are treated, if they are perceived as a source for dysfunctionalities and threats or, oppositely, they are treated as major opportunities for the organizations.

The processes associated to human resources management become more and more important as the recruiting pool is now the worldwide and even the recruiters and the specialists in HR must improve their competencies.

At the same time, we have to understand and to prepare ourselves to work more and more in a multicultural environment, interacting with people from different continents, countries, regions and cultures.

The integrative approach shouldn't be today a preoccupation only for the company's managers, but for anyone in the organization, if we really want to substantially contribute the good of the company and of its stakeholders.

## **2.3 The development of information technology**

The development of information technology offers great possibilities for its users. Computer voice commands will further increase the ability to work with the computer, making it virtually accessible to all and with little learning effort.

E-mail, voicemail, video conferencing amplify inter-human interactions without the need for travel for a few days or weeks, during which time the person leaves their professional and family circuit.

The widespread use of satellites gives a special impetus to telecommunications, offering companies, employees, new opportunities to interact with the company's stakeholders.

The COVID-19 pandemic accelerated the digitalization of organizations, remote work, the use of artificial intelligence and introduced more robots in daily activities.

The organizations will constantly call for the development of Intranet and Internet networks, which change the characteristics of interpersonal relationships in the organization, as well as the growing role that managers will play. They will show increasing flexibility and a penchant for decentralization, for encouraging accountability at all hierarchical levels.

The information system and the control mechanisms based on them are organizational elements that have evolved a lot in recent years. The development of information technology, telecommunications, has given companies completely different opportunities to monitor and coordinate activities (Ilcus, 2018), both internally and externally.

The content of work has also changed for many positions (Kaiser, Doleski, 2020), including more and more information and increasing the intellectualization of work.

The information system is designed in an anticipatory vision, which would allow an employee to have access to a rich database, where he can find the necessary information, even if he did not request it before. A major trend of the information system is its modular design, which allows a certain functional autonomy of the different components, but which can be integrated when the beneficiary wishes, in order to obtain the synergy effect (Tardieu, et. all, 2020).

The control mechanisms also change the meaning of the form, in the conditions in which the organizations frequently resort to flat structures, with a high hierarchical weight, which create difficulties for a permanent and direct control from the supervisor. Consequently, it is used to stimulate the responsibility of employees at all levels of the company, as well as their ability to organize to a greater extent their own activity.

## **2.4 Company's history**

The company's history present the whole evolution of that organization, emphasizing the mission and vision and how they succeeded to be put in practice. It is a story of connection between company and its ecosystem, reflecting the interactions with the internal and external stakeholders.

The history of a company is not only an enumeration of dry numbers and facts, but a vivand testimony of the way that a company walked on, its achievements and obstacles that it faced and succeeded to overpass.

It is about economic, financial, technical indicators as well as about managers and leaders who are real heroes for those who worked there or who interacted with that organization.

The managers can use the history of the company as a powerful tool for communication, emphasizing the values that led it across turbulent times, but which supported to reach the desired outcomes.

It is vehicle that send powerful messages to all employees as well as to customers, suppliers or local community. It provides you with the necessary courage to embark upon different changes, when you see how your predecessors did and what results they got.

By looking at the one's history the stakeholders can understand where a company started and how it reached a certain point, how the brand was built up, how the commitment to quality and how servant leadership have been put in practice, step by step.

So, no matters in what industry you are, your legacy is highly connected to your history and it your responsibility as leader to reveal it, to keep it alive and to use it as a background for future development in front of any bold challenges that the modern times bring to you.

### **3. External factors that trigger changes**

#### **3.1 Globalization**

States continue to exist in their original forms, even though we are witnessing their increasing integration on various levels. There is a certain resistance that tries to counterbalance the phenomenon of globalization and that causes many groups to try to assert as much as possible their cultural identity, distinct from others. Belonging to a nation gives them a sense of solidarity, of representing a glorious history and tradition, of remarkable achievements from which the feeling of national pride is born.

However, globalization is an increasingly present phenomenon that forces companies to consider a larger complex of factors, in an international vision. Whether actively or passively, the activities of a company are influenced by the various trade agreements concluded with various countries, by the appearance of direct or substitute competing products, delivered by foreign companies, etc.

Organizational culture is largely influenced by these interactions that take place with increased intensity between states, firms, and individuals with different cultural traits. We are currently witnessing a growing intertwining of cultural elements that can be considered universal with other particulars, related to the specifics of a certain geographical area or a certain group.

Under these conditions, modern managers will treat their company and specific organizational culture, similar to a piece in a national and international mosaic. They will see the world as a source of potential markets, new suppliers and

places of production, but also a supplier of values, symbols, behaviors, likely to enhance the company's competitiveness.

### **3.2 Legislation**

The legislation is reflected both in the way the company is organized and in the nature of the activities carried out.

In most countries, the law provides for the existence of participatory management bodies with well-defined roles for their functionality. Also, the existence of organizational documents, work procedures (eg for labor protection), etc. are mandatory.

Relations between management and trade unions are based on specific legislation that shapes the interactions between the two parties. The globalization process also impose companies to pay attention to different legislations, at countries and regional levels!

The philosophy that companies develop, includes in various forms a series of legislative elements, which emphasize the norms established by society both internally and externally. This is now very visible with the companies that incorporate in their vision, in the values they promote, the elements of environmental protection, defense and / or restoration of natural conditions.

### **3.3 The economic environment**

The economic environment is a factor with an important influence on the construction and evolution of an organization's culture. The favorable conditions offered, reflected in the number of existing and potential customers, the access to economic resources in advantageous conditions support the process of developing a healthy, competitive organizational culture.

Given the abolition of important barriers between different states (customs controls, phytosanitary controls, customs duties, etc.), the economic environment is likely to provide a greater number of opportunities for companies but also threats, which generates a certain attitude from the part of the managers, of the other employees, with a direct repercussion in the way of manifesting the company's culture.

For some fields of activity (eg the electrical industry) continuous and rapid changes, with a lot of pressure from the competition, are considered normal and have been included in the company's culture.

Specialized marketing departments are increasingly common in companies and are considered essential to make the connection between the company and the external environment.

Through market research, an attempt is made to identify not only current customer preferences, but also future directions in which they could evolve.

Monitoring competition is another important element that has a permanent character for companies that want to maintain and increase their profitability. There

are fewer and fewer companies that can afford to neglect this aspect, due to a previously acquired monopoly position.

In situations where the company does not face major crises, the staff is less inclined to accept changes in the organizational culture, as it is considered that it has proven its viability and moving to another area, unknown, could negatively affect the company's functionality and the positions they hold.

### **3.4 Life style**

We witness a growth of the global population, which places new conditions for governments and organizations in order to provide a better quality of life for the people. This includes the way in which activities are organized and carried out, the way of employment, the economic and social conditions that should be assured.

People are fighting for a better life style, for harmonizing their professional with the personal life, enjoying the benefits of globalization, easier transportation and wider offers a.s.o.

For instance the competitiveness and management of tourism destinations are important as the countries and tourism organizations strive for bigger market share and there is a tendency to move from mass tourism to very personalized services (Gabor, M. R., et. al., 2021).

An important issue is linked to the phenomenon of aging of the workforce. This means that the working population should support an increasing number of inactive people and, consequently, new ways for increasing the productivity should be developed and put in practice.

At the same time, the workforce is better prepared and as a result it requires an adequate recognition and reward, following a greater involvement in the decision-making processes in the organization. It is also worth noting the increasing participation of women in work and managerial processes, which also leads to significant changes, both at levels of organizations and families.

We have also to pay attention to the way in which the national cultures shape the attitudes and behaviors of the employees, especially when people with different cultural backgrounds come and interact in the working process.

The ways of perceiving, thinking, decision-making and actions take various forms that are embedded in the history as well as in the recent evolutions of the members of this community.

These behavioral patterns are a cultural legacy that organizations have and they embrace specific forms that reflect the particular conditions of a geographical area or of the field of activity. National culture and organization's culture are among the strongest determinants of the performances, both at individual and organizational levels.

### **3.5 COVID -19 pandemic**

The mechanisms for organizational changes have been prompted by the COVID -19 pandemic, putting the organizations to fight with a pretty hostile environment, difficult to anticipate in its evolution and pushing them to dramatic changes.

It is relevant to notice that this time the changes didn't occur only to the organizational level, but in all the ecosystem where the company was part. The lockdown, the problems with the supply chain, the drastic sanitary conditions, all of them placed many pressures on the modern organization for adapting in order, first of all, to be able to supply. And perhaps some of them to try to continue to develop.

In many fields of activity the traditional business models suffered major alterations in the race of organizations to struggle for survival and success. The digitalization of the operations was one major element that is very visible, while the organizations and the workforce had to implement to a large scale the remote working procedures.

If many organizations were used with a kind of incremental changes, the COVID -19 pandemic proved to be very disruptive, with a huge impact on functionalities and performances of the organizations.

It is very interesting to research how the unplanned connected with the planned changes, and the change management had to embrace a particular type of leadership that took the organizations on the waves of a wild sea of unpredictable changes.

### **Conclusions**

In a world with high dynamism it becomes clearer than ever that the success highly depends on the leadership, inspiration and commitment of managers, leaders, and changers. It takes both the rational and the emotional sides of the organization's members for being able to cope with the wide range of changes brought by the new context.

In order to be effective and the resistance to change to be overcome it is necessary to exist a sponsorship from the top management and the involvement of all managers, regardless of their level, should be high and align to the organization vision and values.

In this way we could mobilize the potential of all employees and to put the people to the basis of any change, with high probability of success in such an unpredictable and fast changing environment.

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