Leading and Managing Change in Higher Education
(La MANCHE)

Guidance Materials

Change Management

The Nature of Change

NECESSITY OF ORGANIZATIONAL CHANGES

Problems related to organizational change take essential place in management literature and practice. The first issue of importance is why should these changes be made at all? In this respect, organizational problems are a representation of the objective management reality in some of its major dimensions (Narleva, Davidkov, 2013: 10).

Management is an active process of change creation. The *active* interference on the side of the subject (management) in relation the object (internal and external organizational environment) is *conscious and deliberate*. Management impact, in this respect, is a *choice* of one from many options for influence, which *are aimed* at achieving *certain result or results – effectiveness, productivity, quality, innovation, satisfaction, etc.* These results lead to change, transformation of people, organizations, economies, and societies. Therefore, the change is a key factor without which the process of people evolution, management of organizations and societies could not be fully understood. Thanks to the change (as a human invention), products and services are "born"; the old ones are transformed, as new ones appear to take their place – adapted and changed. This is the point of management as a ceaseless and evolutionary process, which will continue in the future.

Management is a constant and evolutionary process of creation, growth, development, and transformation. Management as a *process* has universal application. It might be accomplished in great variety of *systems* of *living, non-living nature, and of society* in general. Despite intrinsic characteristics of each one of aforementioned systems, the philosophy of management is based on the fundamental natural law, namely: *each thing in the Universe grows, and then transforms itself, in its place a new thing is born – adapted or changed*. Logically, in the life cycle process of the organization, its subsystems – production, technology, deliveries, sales, distribution, etc, changes as well – unconsciously or deliberately. It is also possible further changes to occur – both in the activities of certain organization in the strategy and legal form of its development.

Management is a kind of influence of one entity (managing system, subject of management) on another entity (managed system, object of management). Organizational changes are therefore the result of management influence. This influence might be aimed at internal for the organization areas – material resources, technologies, people, products, etc. as well as at external areas, factors of the external macro- and microenvironment of the organization. Each organization, in this respect, aspires to adapt to more significant changes of the external environment. Such changes are, for example, coming of new competitors on the market, introduction of new competitive products, packing materials, advertising, introduction of new technology in the respective branch, change of tastes and preferences of consumers, imposing new styles of communication and shopping, introduction of new regulations and requirements towards certain production, general condition of economy – phase of the economic cycle, internationalization of business, processes of globalization, etc. (Figure 1)

Technical/economic organizations

I **N** **T** **E** **R** **N** **A** **L**	Defects in products/services Failure of the computer system Untrue, deceptive information (leakage of information) Insolvency, bankruptcy	Massive ecological destructions Industrial catastrophes Failure or damages in large infrastructure systems (power, transport systems, etc.) Natural disasters Hostile purchasing Government crises	**E** **X** **T** **E** **R** **N** **A** **L**
	Failure in adapting/change Failure of the organization Wrong conveyance of information Confusion in products or services Frauds by employees Intrigues Illegal activities Sexual abuse Professional diseases	Actions which are harmful for the good name of organization Sabotage Terrorism Faking products of the organization outside its territory Different kinds of frauds Intrigues, gossips and slanders Strikes Boycotts	

Individual/social organizations

Figure 1. Typology of organizational changes in relation to the factors of internal and external environment (Silagi, 1993; 45-47)

WHAT DOES ORGANIZATIONAL CHANGE MEAN?

Organizational change is defined as:

- "Change of organization is any transformation of an existing resource potential for creation and reproduction of wealth." (Kent, 1882; 15)
- "Change is a systematic and purposeful knowledge of the fields of transformation and/or reorganization, which usually offer new possibilities." (Mullins,1993; 22)
- "The modern economist defines the change as a transformation of the profitability of resources. This is a change rather of demand than of supply of goods and services – that is, change of the value and satisfaction which the consumer gets from resources." (Ivancevich, J., W. Glueck ,1983; 16)

It is unquestionable that organizational change has many faces. In addition to this, Peter Drucker, called "the father of modern management", reveals other, fundamental for the modern understanding of the organizational change, interconnected aspects:
Change, understood as innovation is rather an economic or social than a technical term. This means that the social change (under the form of development of institutions such as schools and universities, banks, labor relations, etc.) are not less significant than, for instance, production innovation.

With its new applications – management of the so-called fourth sector and society as a whole – *management itself is the social change* that seeks and makes use of new possibilities for satisfaction of new human desires and needs.

The point of this new method of management – *"entrepreneur management"* – is in the systematic, not accidental change; in the planned, organized and controlled management for the purpose of satisfaction of new human desires and needs.

Last but not least, in its evolutionary development, *management has created the change of the twentieth century: the organization*. Management is the major reason for modern society to be called "society of organizations." (Drucker, 2002; 19 and 38)

Following these reflections so far, we can define **change, in a broad sense of the word, as the process of creation of new and replacement of existing, products, services, organizations and societies.** (Narleva, 2011; 34) Organizational change lies in the fundament of the modern management philosophy – *entrepreneur management* – connecting, and at the same time separating, link between *management and entrepreneurship;* the new management method for development of organizations*.

TYPES OF ORGANIZATIONAL CHANGE

The good knowledge of various types of company changes gives us opportunity for adequate counteraction and management. Classification of changes could be made on the basis of the following criteria (Figure 2):

Figure 2. Types of organizational change

Criterion	Types of changes
Subject of change	• External changes
	• Internal changes
Driving forces (change factors)	• Actions for increase in effectiveness
	• Coping with critical situations
Rate of change	• Urgent changes
	• Quick changes
	• Moderate changes
Scope and depth of change	• Strategic changes
	• Partial changes
Level of preliminary preparation for change	• Preemptive (planned) changes
	• Subsequent (responsive) changes

According to the criterion **"subject of change"**, there are two distinct changes: internal change, which occurs in some of the components of the company, and external change, which is aimed at the varieties of external environment. According to the components of the organization internal environment, additional technological and administrative changes, as well changes of human resources might occur. We should not underestimate the fact that changes are interconnected, and they affect not only one but several different company components; in this case, however, we only consider the main subject towards which the change is aimed.

Technological changes in the organization require that managers achieve balance between structures for maintaining the current operational condition, on the one hand, and, on the other hand, structures that benefit the creative spirit of the organization.

Administrative changes affect the organizational-management structure, hierarchy, objectives, strategies, and systems in the organization. Through these changes, specialists strive to improve the control and coordination of management and personnel.

Changes in human resources are aimed at the values, relationships, skills, perceptions, and the model of behavior of individual persons, groups or all members of organization. These changes might be inspired by managers by means of various educational programs or by involving external experts in organizational development.

With regard to the second criterion, ***factors, or driving forces of changes,*** the main groups of changes are internal and external improvements aimed at increasing in effectiveness, on the one hand, and, on the other hand, at a complex of actions for coping with critical situations.

With respect to the third classification criterion, ***the necessary rate*** of changes, they could be divided into the following groups:
- *Urgent changes* – they might be caused by strikes, accidents, catastrophes, natural disasters, sabotages, terrorist attacks, etc.
- *Quick changes* – caused by defects in the production, unexpected actions on the part of competitors, redirection of consumer demand, getting into insolvency, change of legislation, etc.
- *Moderate changes* – they are aimed at improvement of effectiveness of work when the company does not encounter any challenges.

The next important criterion for differentiating the changes is in accordance with ***their scope and depth***, that is, the extent to which changes affect the organization:
- *Strategic changes,* which affect the organization as a whole. As a result of their action, changes occur in the fundamental conception of the organization, including its strategy, structure, and systems. For instance, the change of company property might bring about significant changes of production articles, market strategy, organizational management structure, processes and values of the organization.
- *Partial changes,* which affect only certain components of the organization in which improvements are being made. At the beginning, the changes are directed toward a specific field or subsystem, bur after this, they spread towards the other parts of an organization.

With regard to the **preliminary preparation,** changes might be grouped in the following manner:

- *Preemptive (planned) changes* – these are actions on the part of the organization management which have been considered and prepared beforehand. The objective shall be achieving improvement of the competitive position of the company, and enhancement of competitive advantages. For instance, establishment of a department/section for the development of new products and improvement of the quality of existing products.
- *Subsequent (responsive) changes* – there are actions on the part of the organization management which are the result of various events in the external environment affecting the organization activities. In such cases, it is necessary for the management to response quickly because of lack of time. For instance, transformations and restructuring of the organization which are made as a response of a financial and/or economic crisis.

Combination of the aforementioned types of changes gives way for identifying new, additional types of organizational changes: redirection; re-creation; preemptive improvements and adaptation. (Figure 3):

	Strategic changes	**Partial changes**
Preemptive changes	Redirection	**Preemptive improvements**
Subsequent changes	Re-creation	**Adaptation**

Figure 3. Types of organizational changes (Kreitner, R., A. Kinicki, 1989; 45)

Strategic organizational changes are caused by the external environment, for example, technological environment, influence of competition, legislation environment, and they are necessary for the organization because they lead to overall changes, whether preemptive or subsequent.

Redirection of the organization as a type of a strategic, preemptive change includes intention of the management to outstrip the changes in the external environment, and resources to be reoriented in another direction. This type of change is hazardous because both internal and external environment are being dynamically changed, and the success of the organization depends on the realization of respective strategic actions.

Re-creation is a subsequent organizational change which begins under the influence of crisis conditions and lack of time. In this case, the change also affects the whole organization, but it is as a response to changes in the environment – for instance, introduction of a new technology in the branch.

Finally, *the partial changes in the organization* do not affect the system as a whole, but only individual components; they might be defined as "preemptive improvements" or "adaptation", depending on the extent of the preliminary preparation of the management

TO SUMMARIZE:

- Change, in the broad sense of the word, is the creation process of new and the transformation of existing products, services, organizations, and societies.
- Organizational change is a key factor without which the evolutionary process of the management of organizations could not be fully understood. Thanks to the change (as a human invention), other products and services are "born"; the old ones are transformed, and new ones appear in their places – adapted and changed.
- Organizational changes differentiate in accordance with a system of criteria such as: subject and object of change, degree of preliminary preparation, rate of change, scope and depth of change, and driving forces.

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Change Management: Theories and Practices

BASIC THEORETICAL MODELS FOR ORGANIZATIONAL CHANGE MANAGEMENT

After defining the concept and types of change in the first theme, we now direct our efforts towards considering the models that explain the basic mechanisms, which format and develop organizational change. The first of these models brings out three major elements of change – necessity for change, willingness for change and capability to change on the site of the organization. (Figure 1.)

Figure 1. Basic elements of the model of the organization change management (Ivancevich, Glueck, 1999; 198)

Necessity for change

Willingness for change   **Management of change**   *Capability to change*
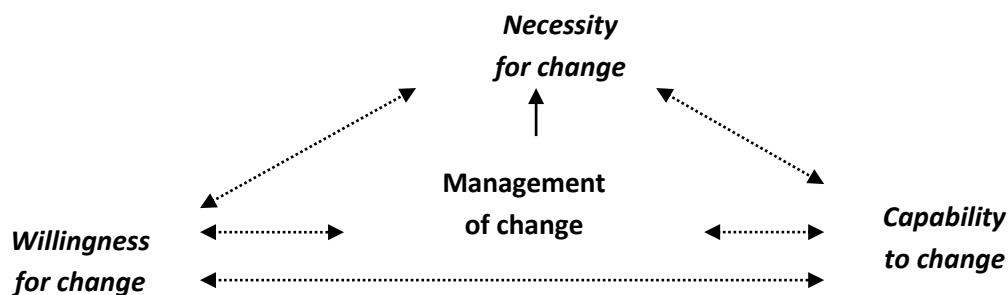
According to the characteristics of the model, a central question that stays before every manager is, first, to determine the **necessity of change** in the organization. The reasons for this could be various, depending on the nature of the organization, the sphere of its operation, its products, services, the competition, etc. Despite the great variety of reasons set forth above, the frequent reasons that make organizational changes important are: (Cole, 1995; 69) *increasing productivity of the organization; meeting consumer expectations, for example, "people want to work online"; to satisfy employees' needs by means of transformation of the organization; to provide higher effectiveness through better services and discharging employees.*

The willingness for change could be expressed through the behavior of the organization in general, and its individual members in particular, in relation to the objectives and means (efforts) for change implementation. **The capability to changes** in an organization is actually the specific knowledge and skills for successful realization of planned processes. To further detail the abovementioned model, we shall note that sources for change could be of various kinds – internal and external in relation to the organization. It is the reasons for change that make the change necessary; but what is important here is that not every reason for change brings real and immediate change. Practically, innovative and entrepreneurial enterprises act proactively, thus creating conditions for change by themselves. On the other hand, the great majority of organizations act reactive, thus adapting themselves to the change of the external environment.

Change management directs its steps to both uncover the reasons for change and their acceptance, as well as to prepare individual steps (stages) necessary for its realization. In this process, organizations usually have to overcome various *obstacles – social, technological, political, economic,* etc., which hinder or prevent the start of the organizational change.

In order to be better understood, organizational change shall be reviewed the category *"depth of change"*. An exemplary model for characterization of this index is shown in Table 1.

Table 1. Model of the links „subjects, forms and dimensions of change" (Cowling, Stanworth,.Bennett, Curran, Lyons, 1989; 39).

Subjects of organizational change	Forms of organizational change	Dimensions and aspect of organizational change
Restructuring	Change of structure, systems, processes, and internal-organizational potential	Material-rational dimensions
	↓	
Reorientation	Change of organizational strategy	Political dimensions
	↓	
New way of behavior	Change of capability and behavior	Behavior dimensions
	↓	
New organizational model	Change of values and convictions	Cultural dimensions

As stated above, organizational change *"restructuring"* means change of products, structures, and systems of the organization, but not transformation of the company strategy. From this point of view, changes do not affect the whole organization but only some components of it. *"Reorientation"* means change of the course of action of the organization or change of its strategy. As a consequence, the organization changes its behavior by setting up new competitive advantages, new business activities, etc. The constant change that brings about continuous improvements could be designated as *a new way of organizational behavior*. Change of values and convictions is a long process, during which the organization passes on to a next stage of its development. The new cultural dimensions of business create a new organizational model, which in turn leads to *new transformation of values.*

SUCCESSFUL WORLDWIDE PRACTICES IN ORGANIZATIONAL CHANGE MANAGEMENT
Example one: "Sun Microsystems, or how strategic communication supports the change of the company management?"
Sun Microsystems is a leading American telecommunication company established in 1978, and it has over 4000 employees. In order to implement its organizational change, Sun

Microsystems made up a basic model, valid for all communicators in the company, called **KAA model: Knowledge, Attitude, Action.**

This innovative model consists of the following components:

Knowledge (current) – Knowledge at the moment of the commencement of the program.

Current state – analyses show:

- employees do not know the company strategy;
- employees do not understand why the company should invest in research and development; the greater pressure from above, the worse products.

This must be transformed into *Knowledge (desired)* – knowledge desired by all, consisting in the following:

- we know where we are going;
- we understand the product development card;
- we know why the company invests in research and development.

Attitude (current) – Attitude at the start of the program

- I worry that the company does not have competent management;
- I am afraid of losing my job;
- I cannot think about things that could change the situation.

This must be transformed into *Attitude (desired)* – Attitude desired by all:

- we have confidence in the company leaders;
- I am impressed with my future at Sun Microsystems;
- we can do it, I wish to be here!

Actions (current) – Actions at the start of the program:

- we spend a lot of time in conversations about how many problems the company has;
- I am working based on my job characteristics.

This must be transformed into *(Action desired)* – Action desired by all:

- we organize our work in such a way that we might help the company to realize its objectives;
- conversations between employees in Sun Microsystems show that this company is the perfect company to work for;
- work on large-scale projects.

In the course of realization of this five-step cycle, **at each of the stages**, at defining and management of change, basic indexes by making a "yes-no" diagram are analyzed:

- defining the objectives – creation of expectations;
- examination (identification of the problems of audience) – defining the challenges;
- forming the messages (clarification of the themes);
- Creation, testing and providing communication – involving the audience in the processes;
- Assessment – change of the situation and the results. Achieving the objectives – end of the process.

Example two: „***Stages of organizational change at the logistics company DLO***"

DLO is a British logistics company (number of employees – 5500) which in 2002 prepared a special program for organizational transformation consisting of 6 *main items*; these items we will briefly analyze below:

Step 1. Conformity with the context at the commencement of the program. This program shall correspond to the realities in the business and in the company itself. To be found out which media channels are preferred by employees. To be carried out continuous control of the program, and to be provided quality data from quantitative research, informal interviews and reviews. To be identified a problem related to information overloading and the lack of a general framework of transformation.

Step 2. Use of best practices in the company related to changes. It is considered that at this stage, the information concerning transformation is available, but there arises the challenge for this information to be accessible, understandable, and clear. Review of information bulletins and change of content depending on the development of the situation. Preparation of special internet sites with continuously updated data.

Step 3. Sharing of responsibility with regard to communication and problems caused by inadequate actions. Development of *communication strategy, plans, key messages*, and working with the main people responsible for transformation. To be avoided unceasing generation of content without necessity for this. Involvement of managers in a dialog concerning the change.

Step 4. We should be innovative; tryout with approaches different from those ones used so far. New communication techniques shall be introduced if the traditional for the company do not work efficiently. Introduction of the so-called Rich Media Picture; visual demonstration of achievements with the aid of special charts and diagrams (see the Diagram).

Step 5. Continuous contact with reality and changes – detailed communication inspection of plans, effectiveness and resources (modification of plans). Software programs are used for additional questions, attached to the email, and answers are sent automatically in HTML format.

Step 6. Communication and contact with changing content. Improvement of the communication means communication media, which allows effective sharing of information, experience and knowledge. Providing up-to-date data, training of main teams, carrying out seminars. Everyone enriches available sites with their publications, opinions and information.

This program for the transformation of the company started in 2002 and continued until 2007. The total budget necessary for the transformation of DLO was 89 million pounds. Among the most important aspects of the organizational strategy for successful implementation of change in the company are:

- analysis of the characteristics of the *external environment* (change of technological framework, social context, innovations);
- the company developed new systems for *assessment and compensation of its employees*, which help with the introduction of *new standards.*

TO SUMMARIZE

- The organizational change management model includes the following components: necessity of change, willingness and capability of the company for change.
- The subjects of organizational change include: restructuring, reorientation, new way of behavior, and organizational model. These forms predetermine the organizational context.
- Change management is aimed at both discovering reasons for change and their acceptance, as well as preparing individual steps (stages) necessary for the realization of change.
- The examples from worldwide practice show that successful models for organizational change are different, depending on defined in advance objectives, indexes, and anticipated results.

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John P Kotter's Eight Steps for Successful Change

PRINCIPLES FOR THE APPEARANCE OF JOHN KOTTER'S MODEL FOR SUCCESSFUL CHANGE

John Kotter is one of the world's most popular researchers of organizational change. According to the author, nowadays there is practically no organization, whether large or small, local or global, that underestimates change. The reason for this lies in the fact that, in order to cope with the innovative technological, competition, and demographic factors, the managers of various branches have to make fundamental changes in the way of doing business. These changes are caused by a multitude of challenges.

John Kotter found out that reasons for the certainty of theme "management of change" were worth **investigating in broad and narrow aspects**, namely: (Kotter, 1998; 22)

- **In a broader aspect**, among the standing out premises is the "new role" of the man – his creativity, educational potential and aspirations. Further on, management of change as a modern management theory and practice is a result of profound social, demographic, cultural, and global public changes.
- **In a narrower aspect,** the increasing necessity for modern methods for change management corresponds to the factors of modern business environment – development of technologies, acceleration of scientific and technical process and intra-organizational initiatives, great range of offered goods and services, shortening of life cycle of goods, appearance of large number of competitive organizations, rate of receiving information (the Internet), knew knowledge, etc.
- Reasons for the importance of the theme nowadays must be sought both in the critical points of the traditional management practice (encouraging standard procedures, avoiding the risk, compensating equally, etc) and its influence upon organizational development (for example, blocking of innovative solutions, loss of competitive advantages, poor motivation, ineffectiveness, etc.).

The interrelated reasons set forth put as an imperative before organizations the necessity of using the approaches and mechanisms of change management as an alternative for facing the new business challenges. Despite other arguments, John Kotter's investigations show that in very few cases the efforts for change management achieve their objectives. The author's investigation, comprising of 200 organizations located in three continents for the period from 1995 to 1997, proved that only 15% of companies transformed successfully in today's dynamic world. According to the author, the great majority of organizations needed effective leadership, which included application of the *eight-step organizational change management model.*

JOHN KOTTER'S MODEL FOR SUCCESSFUL ORGANIZATIONAL CHANGE

John Kotter's model for successful change was created in 1994, and it demonstrated how the process of change management was formed and implemented as well as which the major factors influencing this process in the actual business reality were. The model itself is a better explanation of organizational change, on the one hand, and, on the other hand – a practical tool directing management attention and actions during change management.

Moreover, Kotter's model is important because of the fact that it conceptualizes in a single framework issues regarding premises, indexes and limits of organizational change, at the same time allowing us to obtain new knowledge with regard to the steps and mechanisms in the process of change management.

The eight steps for transformation of the organization are (Kotter, 1998; 23-24):

Step 1. Build up a feeling of urgency for change
- research the market and competitors;
- define crises, potential crises, and possibilities.

Step 2. Set up a strong, leading coalition
- establish a team with enough authority for change management;
- encourage team work.

Step 3. Create vision
- create a vision that assists changes;
- develop strategies for achieving this vision.

Step 4. Share the vision
- use any possible means of communication for considering the vision and strategy.

Step 5. Provide funds for all employees for the implementation of change
- overcome the obstacles impeding the change;
- change the system and structures which seriously contradict the vision;
- encourage taking risks and nontraditional ideas, initiatives, and activities.

Step 6. Plan for short-term success
- plan for obvious improvements in the institution;
- encourage people to make these improvements.

Step 7. Consolidate improvements and orient towards more changes
- use all possibilities for change of the systems, structures, and policies which do not endanger the image;
- hire, encourage and train people who can realize the image;
- improve the processes by means of new projects, themes, and forces for change.

Step 8. Institutionalize the new approaches
- specify the links "new behavior – organizational success";
- work out the means of development of leadership and success.

ANALYTICAL MANAGEMENT METHODS AT THE APPLICATION OF JOHN KOTTER'S SUCCESSFUL ORGANIZATIONAL CHANGE MODEL

In the theory and practice of management there is a number of useful analytical models which could be applied in the concrete stages of the development of Kotter's successful change process.

At the first stage (Step 1.), in particular: *research the market and competitors; define crises, potential crises, and possibilities*, the concrete management approaches include methods for analysis and diagnostics of the organization environment such as **SWOT analysis** and **analysis of** General Electric GE /matrix/.

The analysis of strengths and weaknesses, opportunities and threats, well known as SWOT analysis, is in fact a method for assessment of the environment so far as the organization will perform its activities in compliance with the environment, bearing in mind its advantages and disadvantages. This method is supposed to answer the following questions concerning the organizational change: Where is the organization at the moment? What does it want to achieve in the future and how should it organize its resources so as the objectives of organization and organizational change to be accomplished?
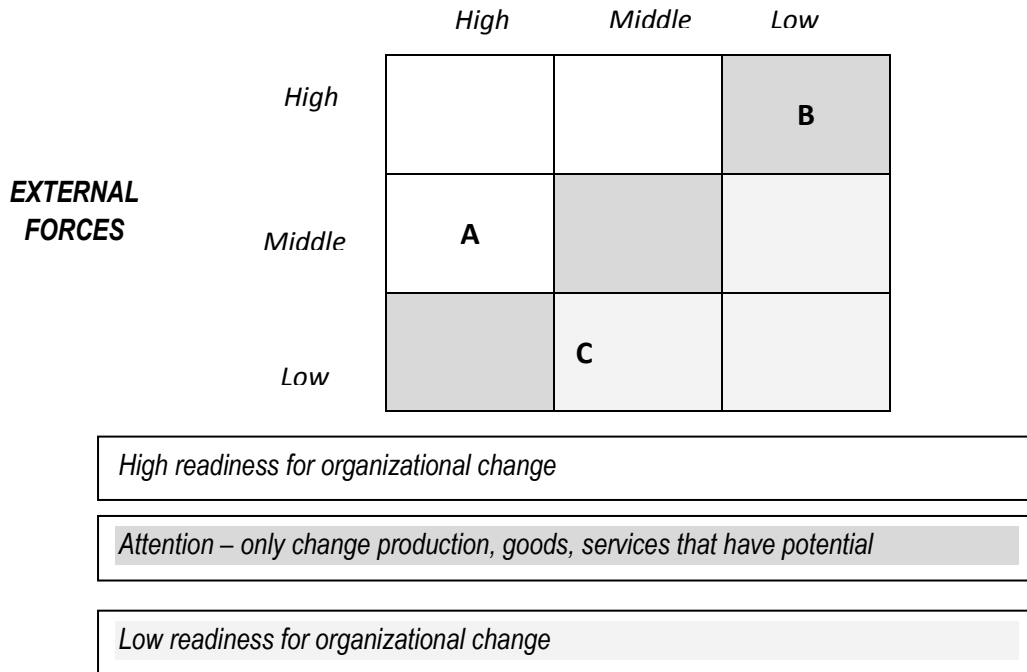
This analysis first deals with external for the organization, or so called uncontrolled, factors of the environment. This set of factors, therefore, is rarely a subject to change. Next, SWOT analysis also examines the internal factors which the organization manager is able to manage for the purpose of achieving the desired organizational change. An exemplary model of analysis is shown in Figure 1. (Blagoev, 1998, p. 89)

Figure 1. Influence of the external opportunities and threats, strengths and weaknesses of an organization
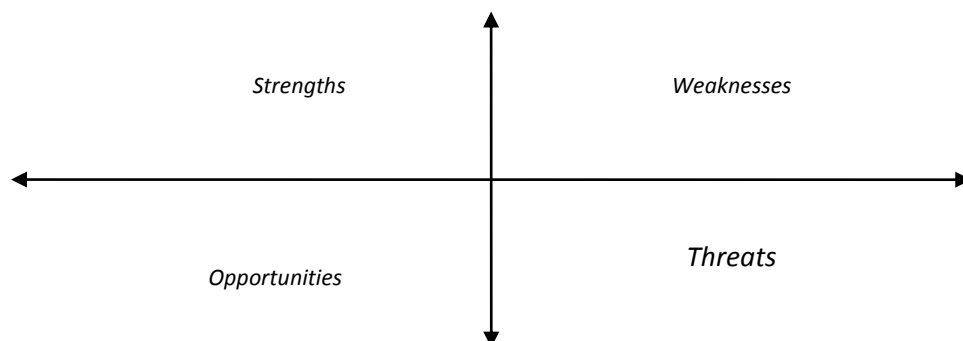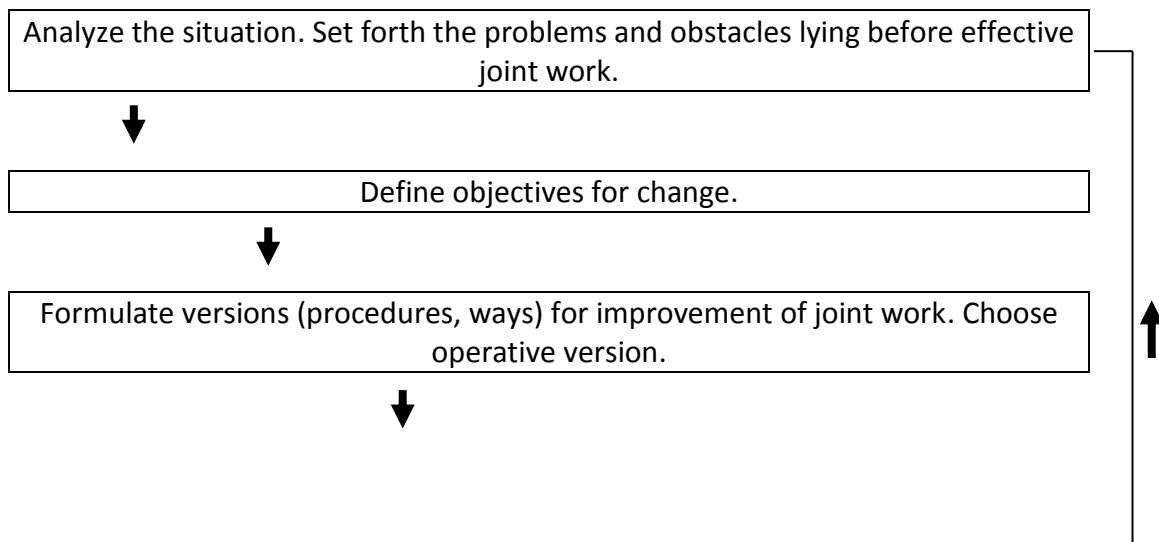

Actions of the management regarding the analysis and assessment of the environment and its readiness for implementation of organizational change *(Step 1)* could be illustrated by Figure 2 – method for environment diagnostics of General Electric. The two dimensions of the diagram represent parameters of the *internal and external environment of the organization*. (Derec, 1999; p. 67).

Figure 2. Influence of external opportunities and internal forces upon the organization strategy for organizational change
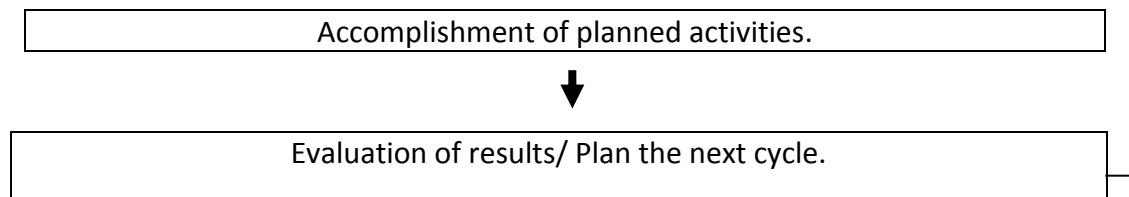
<table>
<tr><td></td><td></td><td>High</td><td>Middle</td><td>Low</td></tr>
<tr><td rowspan="3">**EXTERNAL FORCES**</td><td>High</td><td></td><td></td><td>B</td></tr>
<tr><td>Middle</td><td>A</td><td></td><td></td></tr>
<tr><td>Low</td><td></td><td>C</td><td></td></tr>
</table>

High readiness for organizational change

Attention – only change production, goods, services that have potential

Low readiness for organizational change

Establishment of effective working teams *(Step 2)* should be considered a task (technique, method) of the organizational development. The organizational development is defined as "the process of diagnosing the working procedures and interaction models within the working team". (Armstrong, 1993; 45) The main objective is improvement of the whole work of the organization with regard to the implementation of the organizational change by means of improvement of the effectiveness of the teams by paying attention to working procedures and interpersonal relationships, as well as to the role of the leader in the relationships between him/her and the other members of the team.

An *exemplary program for establishment of effective working teams* could be structured in the following way:

Analyze the situation. Set forth the problems and obstacles lying before effective joint work.

↓

Define objectives for change.

↓

Formulate versions (procedures, ways) for improvement of joint work. Choose operative version.

↓

↑

Accomplishment of planned activities.

↓

Evaluation of results/ Plan the next cycle.

Inquiring into the factors determining the team effectiveness, two sets of determinants could be distinguished – internal and external. The number of members and the composition of the team, the characteristics of the task, resources (including availability of absence of support, acknowledgement, etc.) usually refer to the *external* factors. *Internal* factors include the style of leadership, the way of fulfillment of activities related to accomplishment of working tasks, building up and keeping relationships, models of interaction, motivation, the development and improvement of the team.

Popular strategies for achieving the vision are as follows: *(Step 3)*
Strategy of the management team – the initiative comes from the team, minimal participation of the others, shortening of time.
- Strategy of dialogue – carrying out negotiations for change, success – if all people are included, long period of change.
- Strategy of co-participation – a single mobile team makes the change.
- Analytic strategy – realized by experts. Suitable in case of high indefiniteness.
- Flexible strategy – under initiative of the organization or the branch; different teams are involved in different stages.
- Trial and error strategy – if objectives are not defined clearly, ultimate situation indefiniteness, realities determine conditions.

The communicators must create environment that supports changes *(Step 4)*. The company's successful change depends on the quality of communications and the full integration between change and current organizational processes. Well-structured communication programs include information about every group affected by the transformation; at the same time, approaches for restriction of the negative effect of the change are being sought. Requirements are messages to be clear and accessible in order to be easily understood by people (they must be on the level of people's understanding, must not use technical terms, must engage employees and correspond to their interests). The success of the program depends on the content and the communication method used.

Simultaneously with the change management, the risk must be analyzed and dealt with *(Step 5).* According to theoretical works on transformation, we can distinguish three types of organizations: *developing, transitional, and transformational*. The last type must comply with two main challenges: *the first one* – the future state of the organization is unclear and inaccessible for investigation.

At the start of the organization transformation, often the trial-error method is used, as the actions are adjusted according to the new information received. This renders management

of transformation only with the help of prognoses and plans impossible *(Step 6)*; *the second challenge* is determined by the fact that the future state of the organization is entirely different from the present one, which requires change of people's behavior, respectively of the organization culture.

Transformation of changes into purposeful, planned, organized, and controlled process requires *knowledge, time, efforts, and means* on the part of the management. In this respect, attention deserves the following rules *(Step 6 and Step 7):*

- *The change starts with the change of the manager's behavior*. He/she must have the determination for and capability to changing the existing hierarchy, status quo, and some traditional management practices which block innovativeness. He/she must be willing to take measured risk; he/she must be ready to lose (sometimes failure is the other side of success).
- *Organizational change deserves special attention*. The new undertaking – the organizational change – must be planned, organized, guided, and controlled *separately from the existing environment in the organization.*

TO SUMMARIZE

- John Kotter is one of the world's most popular researchers of organizational change. According to him, nowadays there is no organization whether large or small, local or global, that underestimates change.
- John Kotter's successful change model demonstrates how the process of change management is formed and implemented, as well as which are the main influencing factors upon this process in the business reality.
- Kotter's model is, on the one hand, a means for better explanation of organizational change, and, on the other hand – a practical tool for directing the management's attention and actions at managing the organization.
- The main stages of the organizational change process include willingness for urgent actions, formation of coalition, creation and share of vision for change of the organization, provision of means and planning of the vision, consolidation and institutionalization of changes.

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Change Management and Organizational Structure

Organizational structure is a management tool, result of the manager's activities performed by means of the management function of "organizing". That is why, first we will consider the essence of this management function.

WHAT IS ORGANIZING SIMILAR TO?

"Organization is defined as: arrangement of the group components in order to be formed effective entity; planning and arrangement of something" (Flynn, Wallace, 1991; 117). "Organizational function refers to the decisions of the managers with regard to: specialization of work places, delegation of authority, foundations of innovation of departments and their dimensions" (Donnelly, Gibson, Ivanchevich, 1997; 162).

"Organizing means subdividing and delegating all management tasks, assigning responsibility and authority for accomplishing certain work as well as determination of necessary relationships between various functions and situations" (Johansen, Page, 1992, issue 1; 270-271).

"Under organizing we should understand the process of necessary activities for achieving the objectives of the organization in the most economical way; structuring of the relationships between individual organizational roles so that effective functioning of the whole system should be provided" (A Handbook, 1985; 288).

"Organizing includes: determination of organizational objectives and plans; clarification of activities necessary for the fulfilment of these plans; classification of and grouping of these activities in the best way; determination of authorities within groups; efforts for integration of these groups" (Appleby, 1991; 119).

"Organizing in the context of organizational structure includes the formal system of working relationships which distributes the tasks (clarifies who will do what), and which integrates the tasks. The basic elements of organizing are:
- *Specialization* - a process of identification of specific tasks and assignment of these tasks to individuals or groups ready to perform them.
- *Standardizing* - a process of development of organizational procedures in a way which leads to execution of the work in compliance with uniform samples.
- *Coordination* - formal and informal procedures for integration of the activities performed by individuals or groups in the organization.
- *Authority* - the right to decide and act" (Hellriger, Slocum, 1993; 320).

"The function of "organizing" means making decisions how to group and use the resources of the organization in the best manner. This function might be considered in three major aspects: determination of major structure components; formation of organizational structure; management of people's activities within the framework of thus formed structure" (Stanchev, 1991; 112).

"Formal organization can be described as a system of coordinated activities where groups of people work in cooperation under certain management for the purpose of achieving a common objective. Formal structures are aimed to maintain the relationships between functions in good order, but they also give a feeling of safety. The borders between functions should not turn into barriers before communication" (Armstrong, 1993; 122).

"Viewed as a process, organizing includes: division of work necessary for achieving goals and individual tasks; providing means for coordination of the efforts of engaged people" (Dale, E. Management – cit. from Stancheva, 2000; 244-245).

In conclusion, the aforementioned definitions give us grounds to generalize the substance of organizing as a management function. In the process of organizing, we can distinguish two sets of major activities, differentiated only conditionally:

- *Activities related to separation and distribution of work among individual participants in the social organization*. This is a process of: determination of participants; definition of their roles and tasks for the preparation of their effective execution; clarification of the specificity of necessary activities and results, and of technological requirements towards production.
- *Activities aimed at integration of individual efforts:* formation of a system of common objectives, strategies, and policies; coordination of individual and team efforts on the basis of common technological requirements, principles, and rules; formation of communication channels and rules for interaction.

All this must be considered in the specific organizational context, taking into account the state of the external and internal environment. In the process of organizing, resources necessary for the execution of individual and team tasks are distributed (integrated) as well. Authorities – rights, obligations, and responsibilities - are also defined.

ORGANIZATIONAL STRUCTURE

Each organization consists of people at certain positions with certain roles. Organizational structure refers to *the arrangement of the positions among people in the organization and the relationships between authority and responsibility*. Every "arrangement" is unique in some respect. For instance, organizations could be classified in the common continuum of the structure, as this continuum ranges from *very formal and traditional* to *entirely informal and non-traditional*. Furthermore, they might be differentiated according to the size and form of their organizational hierarchy. Therefore, we will first consider the *dimensions* according to which organizations could be structured and which have much to do with the implementation and management of organizational change.

Traditional versus non-traditional organizational structures
Traditional organizations have formally defined roles for their members; they are strongly guided by established rules, and they **fight against the change**. Positions, status, and authority in these organizations are usually clearly defined, which means that very often the work behaviour of people is maintained by means of organizational norms and standards

(Appleby, 1991; 109). It is no wonder that sometimes traditional organizational structures are called "bureaucratic."

Non-traditional structures are characterized by less formalized work, roles and procedures. As a result, they are more flexible, with smaller status hierarchy. Because of their special features, these structures are, labelled "organic", and they usually manifest themselves in smaller organizations or as a part of a large structural organization. Non-traditional organizations usually have four important characteristics: high flexibility and adaptiveness, weak emphasis on the organizational status, cooperation relationships, and group decision making (Regio, 2006; 416).

Chain of command and scope of control

Traditional organizational structures are characterized by the authority hierarchy represented in an organizational chart called *organigramme, which graphically expresses the various levels of status or authority in the organization and the number of employees in every authority position*. The chain of command follows the levels of authority vertically. *The range of control* is the number of employees (workers) rendering accounts to one leader.
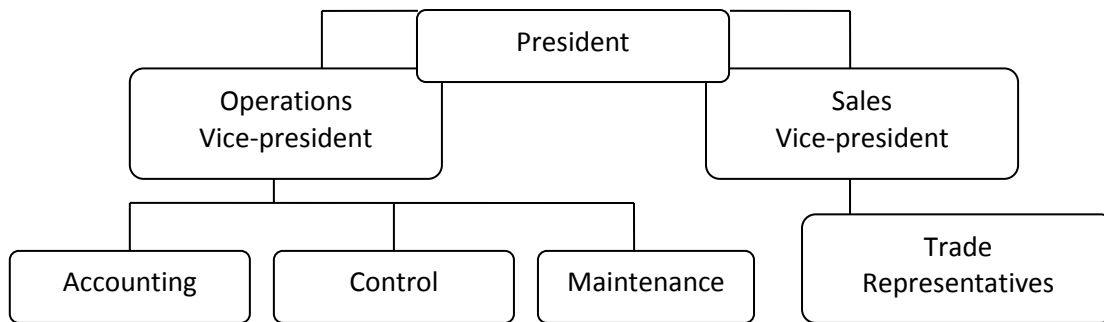
Based on these two dimensions – chain of command and range of control – organizations are frequently described as *"high"* or *"flat"* according to the structure. The high organizational structure usually has a long chain of command and narrow range of control. On the other hand, the flat structure has short chain of command and wide range of control. It is important to note that both dimensions are more characteristic for the traditional organizations than for the non-traditional ones. The latter can have short chain of command or no chain at all because they remove the emphasis from the authority positions and levels.

Functional structure and structure of sections (departments)

Organizations can be structured either *according to individual functions* or *according to branches*. *The functional structure* divides the organization into departments based on the functions or tasks they fulfil. An amusement park, for instance, could have two functional departments: "Sales" and "Operations"; the second functional department could include employees performing specialized functions (tasks) as well – "Accounting", "Quality Control", and "Maintenance". (Figure 1)

The main advantage of the functional structure is that it creates specialists, for example experts in marketing, finance, etc., and most importantly, it eliminates the duplication of functions. A disadvantage of this kind of structure is that it gives opportunity to employees to focus only on their own fields of specialization, which could lead to worsening of the work climate, poor communications, and conflicts, and **resistance against implementation of changes.**

Figure 1. Organizational chart – Functional design

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                        ┌──────────────────┐
                        │    President     │
           ┌────────────┴──────────┬───────┴────────────┐
┌──────────┴──────────┐            │         ┌──────────┴──────────┐
│     Operations      │            │         │        Sales        │
│   Vice-president    │            │         │   Vice-president    │
└──────────┬──────────┘            │         └──────────┬──────────┘
     ┌─────┼─────────────┐         │              │
┌────┴────┐ ┌────┴────┐ ┌────┴────┐         ┌──────┴───────┐
│Accounting│ │ Control │ │Maintenance│       │    Trade     │
└─────────┘ └─────────┘ └──────────┘        │Representatives│
                                            └──────────────┘
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The structure, according to its branches, is based mainly on two characteristic features, or two branches – *typical products* or *customers* (often differentiated according to demographic, social and other indexes). Each branch can perform on the same spectrum of functions but these functions serve mainly for the benefit of the relevant department.

The structure, according to its branches, has advantages and disadvantages. Each branch, acting as an independent entity, has its own idea of profit, better accountancy and higher responsibility. Thus, it is fairly easy to determine which entity performs better or the performance of which does not meet the desired standards (Hindle, 1999; 207). The main disadvantages, however, are the duplication of the fields of expertise, and the opportunity for branch managers to achieve personal goals. Unlike functional structures, in branch structure **changes are fairly rapid and dynamic.**

Figure 2. Organizational chart
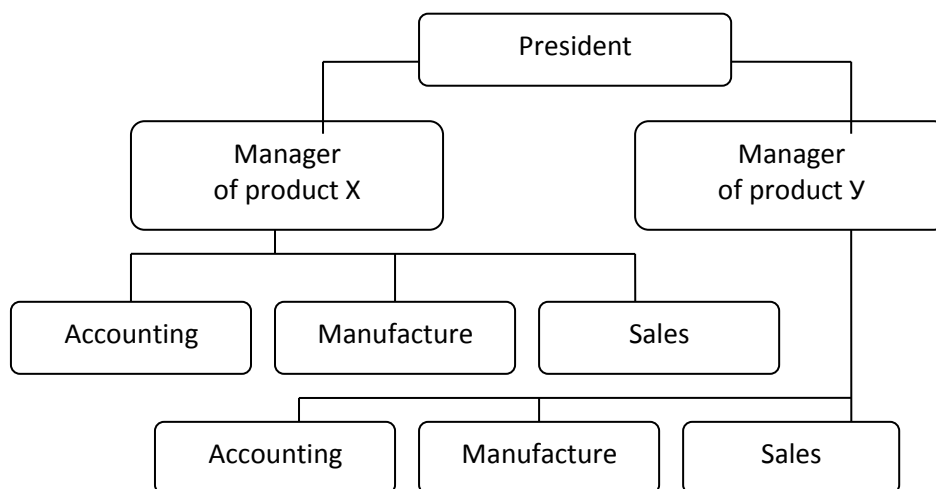
Centralized versus decentralized structure
Another dimension of the organizational structure is the way decisions related to the work process are made. Centralization is the extent to which the power of decision-making is concentrated on the top of the organizational hierarchy. Decentralization is the process of downward movement of the decision making power from the highest level of management towards lower management levels.
The main advantage of the centralized hierarchy is embedded in the principal of uniformity, the possibility of providing approximately the same quality, effectiveness and control with regard to aspects of the organization activities (Donnelly, Gibson, Ivanchavich, 1997; 114). At

the same time, this structure restricts the capability of an organization to change rapidly and adequately in compliance with the changing conditions of the environment.

In the decentralized organization, participation of employees in the decision making process is stimulated, but this might have negative consequences as a result of inadequate and wrong decisions. Unlike the centralized hierarchy, this structure presupposes **quicker adaptation in case of change of the environment conditions.**

Non-traditional organization structures
Team organization is the prototype of the non-traditional organizational structure. In this type of organizations employees often have widely defined positions and not narrowly specialized posts; this presupposes a great variety of skills related to the work performance. The second important characteristic of team organization is cooperation between the members of the team – they share skills and resources for the achievement of certain organizational results. There is considerable communication in the form of meetings and problem solving teams in these structures (Regio, 2006; 423).

Team structure, as a kind of non-traditional structure, is distinguished with less attention to organizational status. This organizational form would have an informal leader, or manager, who considers every employee a professional devoted to the objective of the organization. An important characteristic of team structure is also the trend towards team decision making. This may lead to conflicts, but such that are oriented towards constructive and significant results. The lack of hierarchy also means that the structure is radically different from the pyramidal form of the described traditional structures (Figure 3). **In this organizational form changes have a pronounced dynamic character, which is in fact a characteristic feature of every type of non-traditional structures.**

Figure 3. Team organizational structure
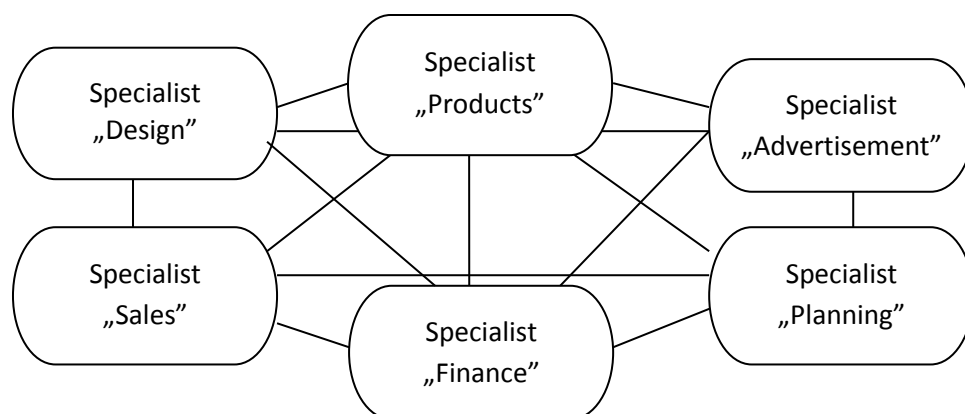
Project structure is another kind of non-traditional organizational structure (a variety of the team structure) which usually appears in the context of larger, often traditional organizations. In many cases, this structure has a temporary character and it is composed of members of various departments and positions from the traditional hierarchy. Like the team structure, in the project organization, the traditional lines of authority and status are weak

or there are no such lines at all; the members of this structure are evaluated as professionals, responsible and motivated for the fulfilment of organizational tasks.

Matrix structure: hybrid form between traditional and non-traditional organization structures

Matrix structure is a hybrid organizational form, structured both according to product and functions. In the case of matrix structures, employees have two lines of reporting: one to the functional manager (for example, a person responsible for the field of expert knowledge – finance, marketing, etc.) and another one to the project manager (the person responsible for a specific organizational project) (Figure 4).

The matrix structure **is favourable to rapid adaptation to the changing conditions of the environment.** This kind of structure is usually applied for the purpose of implementation of projects and introduction of products that require innovations. Therefore, it is less suitable for the execution of routine tasks. The matrix organization is characterized by a high level of coping with sophisticated and creative tasks by intensive communication and job satisfaction.

Figure 4. Organisational structure matrix
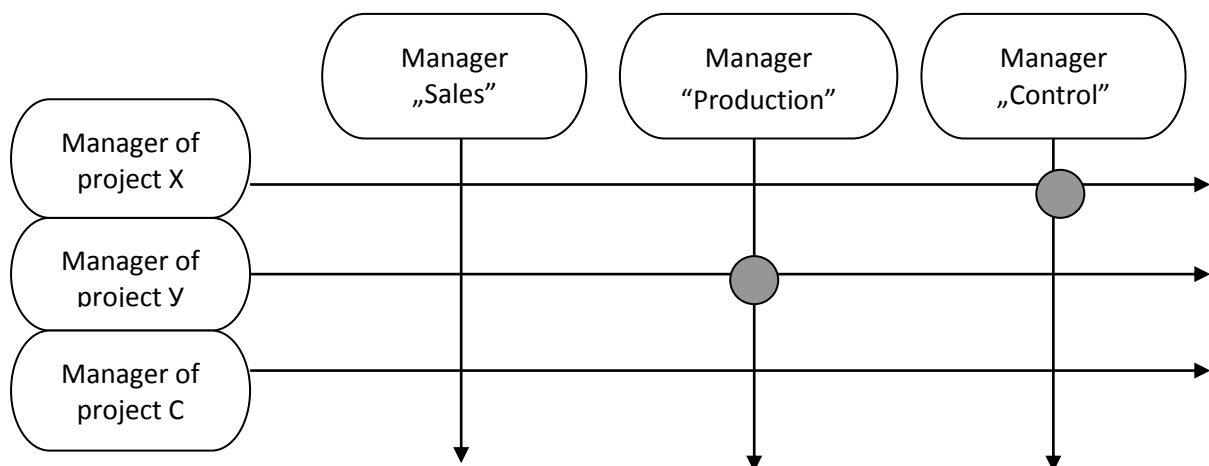
ORGANIZATIONAL STRUCTURE AND CHANGE MANAGEMENT

The theoretical formulations set above draw our attention towards some important conclusions regarding the link between the management functions of "organizing" and "change management":

Changes in the accomplishment of the organizing process include: changes of the activities related to the division and distribution of work among individual participants in the social organization as well as change of activities directed toward the integration of individual efforts of the people in the organization.

Organizational structures – as a result of accomplishing the management function of "organizing" – are not static; on the contrary, they are dynamic and in compliance with the interaction of the organization and the environment in which it operates. Changes in the

environment factors (competitors, customers, suppliers, human resources, technologies, etc.) influence changes of the organizational structure.

Solid knowledge of the types of organizational structure has an important role in the change management process in the organization. Generally, traditional organizational structures are characterized by slower adaptation to environment changes; thus, they are called "bureaucratic". Non-traditional organizational structures, including the matrix form, are favourable of organizational changes; moreover, they are set up for the implementation of organizational changes purposefully and in compliance with the modern dynamic environmental conditions.

TO SUMMARIZE

- With the term "organization" we designate various concepts. Organizing, as a management function, includes two main types of activities: activities related to the distribution of work, roles, tasks, and resources; activities related to their integration for achieving the objectives of the organization.
- Organizational structure refers to the arrangement of positions among people in the organization and correlation between authority and responsibility among them. Depending on various dimensions (criteria), organizational structures could be classified as traditional and non-traditional; centralized and decentralized; functional and divisional. Knowledge of these criteria is of great importance for change management in the organization.
- Organizational structure is a dynamic quantity – result of the management function of "organizing" – in accordance to the changes of the external environment and the internal conditions.

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Change Strategies

The management strategy for change in an organization is the result of the activities for realization of the function of "planning." This is why, our attention to this theme will initially consider this management function.

WHAT IS PLANNING OF ORGANIZATIONAL CHANGE?

"Organizational change planning is, in fact, the preparation for future actions singled out for the purpose of achieving the organization's goals" (Hindle, 1999; 176).

"The planned activities that the manager has to perform in the process of management of change include: prognosis, programming, personnel selection, standards and tasks determination, procedure planning, materials planning, planning of material basis, and determination of budget" (Armstrong, 1993; 421- 422).

"Change planning is the formal process of changing objectives formulation within individual subdivisions and departments of an organization; selection of strategies and tactics for achieving these objectives; making decisions how resources should be distributed" (Hellriger, Slocum, 1993; 246).

"Organizational change planning is focused on the future: on what and how shall be done. In its essence, the function of "change planning" includes those management functions that determine future objectives and appropriate means for attaining changes" (Donnelly, Gibson, Ivanchevich, 1997; 114).

"Organizational change planning determines the organizational objectives and tasks so that everyone should understand what to do" (Appleby, 1991; 94).

"Scenario change planning is a method of reflections about the future. It requires that managers create changes for the future as they see it. Various possible situations arise from these scenarios, in conformity to which the organization have to act in the future" (Hindle, 1999; 200).

The definitions mentioned above give us an idea of what organizational change planning is like. Let's analyze and enrich this idea by seeing what it is <u>not</u>.

Organizational change planning IS NOT:
Foreseeing. Foreseeing generally refers to the attempt to predict the value or values of a certain variable based on current data, analyses, and tendencies. In essence, foreseeing of objective tendencies is an activity that precedes or is the premise for planning.
An attempt for making future decisions. Quite the contrary, organizational change planning refers to the effect of current decisions upon future consequences and alternatives which will reveal themselves before the management.
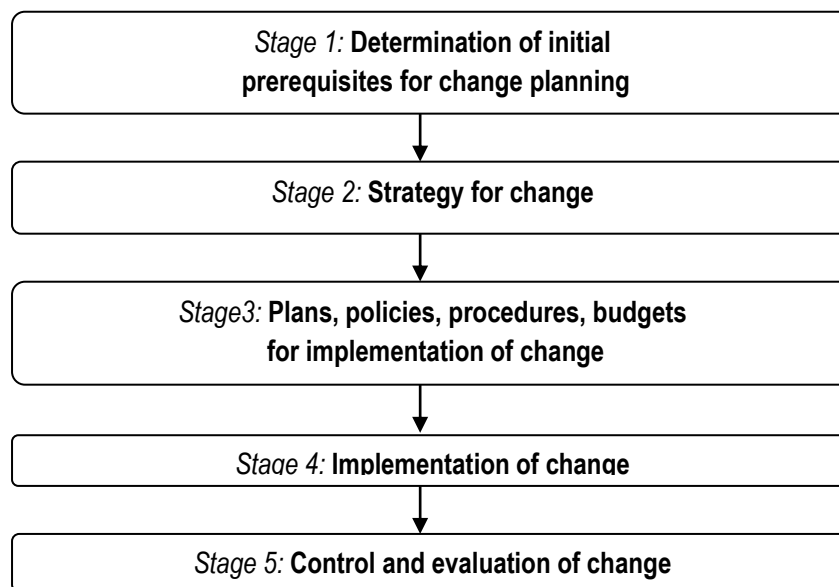*A hard doctrine*. Organizational change planning should rather be a flexible activity that takes into account the inevitable changes of the external and internal environment.

Organizational change planning does not involve only high-ranked managers. Planning is an integral part of every manager's duties. Although there are some differences in the character and type of planning of various types of organizational changes, the essence of the planning process remains unchanged.

THE PROCESS OF ORGANIZATIONAL CHANGE PLANNING

Various models for change planning within an organization are described in management literature. One of these models is:

Figure 1. Process of change planning (Davidkov, 2006; 83)

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┌──────────────────────────────────────────────┐
│   Stage 1: Determination of initial           │
│   prerequisites for change planning           │
└──────────────────────────────────────────────┘
                      │
                      ▼
┌──────────────────────────────────────────────┐
│   Stage 2: Strategy for change                │
└──────────────────────────────────────────────┘
                      │
                      ▼
┌──────────────────────────────────────────────┐
│   Stage3: Plans, policies, procedures, budgets│
│   for implementation of change                │
└──────────────────────────────────────────────┘
                      │
                      ▼
┌──────────────────────────────────────────────┐
│   Stage 4: Implementation of change           │
└──────────────────────────────────────────────┘
                      │
                      ▼
┌──────────────────────────────────────────────┐
│   Stage 5: Control and evaluation of change   │
└──────────────────────────────────────────────┘
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As it is indicated in the figure, the change planning process could be represented as consisting of five individual stages. *The first stage* is labeled "prerequisites for change planning" and refers to the analysis of the external and internal environment and determination of change objectives in accordance with this analysis. *The second stage* focuses on the strategy for change as a selection of specific steps that need to be taken. *The third stage* is the core of change planning. It is at this stage that the most important plans, policies, procedures, and strategies, thanks to which objectives become feasible, are worked out. *The fourth stage* refers to fulfillment of the activities specified in the previous stages. And finally, *the fifth stage* lays emphasis upon evaluation, the results of the implementation of change and, if necessary, undertaking of correcting actions. The second stage will be discussed in details in the next section of this theme.

STRATEGIES FOR CHANGE

The external environment, with its intrinsic potential possibilities and threats, and the internal environment, comprising of weaknesses and strengths, are the main factors that condition the managers' actions with regard to determination of strategies for change - the

component of planning that gives opportunities for choice and directions for work. This is why, for the needs of this article, the strategy for change is defined as *the line of behavior of the company that determines the opportunities for choice and conditions the directions of actions of the organization for the realization of the organization's objectives* (Narleva, Davidkov, 2013; 45)

The choice of change strategy is prompted by some **major restrictions** that must be taken into account:
- the time the company has;
- the funds which the company can allocate for the implementation of change;
- discrepancies between influential stakeholders' opinions and visions;
- disagreement and opposition on part of the personnel;
- statutory restrictions;
- lack of reliable information, etc.

Next, each change strategy has to comply with the methods for the implementation of change; it must comply with both the objectives and restricting conditions. Along with them, criteria and indexes for the assessment of success or failure of the organization shall be selected as well. In case the change has been planned, the management can work out a schedule for the fulfillment of the main activities related to the realization of the change strategy. Depending on the peculiarities of the change, strategies could be provisionally defined as (Kreitner, R., A. Kinicki, 1989; 49): strategy "revolutionary change" and strategy "evolutionary change"(Table 1.).

Table 1. Change strategies – types and characteristics

Strategy «Revolutionary change»	Strategy «Evolutionary change»
Rapid changes	Slow changes
Clearly planned change	Initially unclearly planned change
Small number of employees involved	Great number of employees involved
Overcoming of resistance	Minimizing of resistance

In order to respond successfully to the management strategies for organizational change, managers must be informed about **the main obstacles that hinder change to be implemented** (Donnelly, Gibson, Ivanchevish, 1997; 114):
- **Fear of losing something valuable** – generally, people in the organization are afraid that as a result of change, their own interests would be infringed – they can lose their former positions in the company and in society or lose their jobs. Anxiety is felt when the change is still potential and not real, while there are still alternatives, and before people have gathered experience in the new situation.
- **Wrong understanding of change and its consequences** – in case of a lack of confidence between the initiators of change and the personnel. For example, the initiators of change might not give information about the change to the personnel in

advance. In other cases, there might be discrepancies between the initiators' words and deeds.

- **The opinion that change is pointless to the organization** – people perceive change in different ways, and it seems to them that they have to put many efforts in achieving the necessary results, which, according to them, is not worth doing.
- **Low tolerance to change** – caused by the fear that employees would not have the necessary skills that would be required. The organization might impose changes too quickly for the personnel to have time to adapt to the organizational tasks. Schematically, factors affecting the choice of change strategy are shown in Table 2 (Stancheva, 2000; 200-202).

Table 2. Change strategies – driving forces and restraining forces

Driving forces for change strategies	*Restraining forces for change strategies*
Changing markets	Fear of failure
Globalization	Loss of social position
Greater competition	Inertia
New technologies	Strength of company culture
Shortening of the life cycles of products	Firmness of management structure
Change of the attitude towards work	High expenditures and lack of resources
New generation of employees	Old technologies

TO SUMMARIZE

- Change planning is a management activity for coping with the uncertainty and dynamics of environment.
- Change planning is a specialized activity aimed to determine what has to be done and how it needs to be done for the purpose of achieving the objectives of organizational change.
- Change planning is a process which includes initial prerequisites for the implementation of change in compliance with the environmental conditions, choice of change strategy, elaboration of policy, plans, procedures, budgets, implementation of change, and control.
- Change strategy is a path that determines the opportunities for choice, conditions the character and directions of the organizational actions for achieving the objectives of change.

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Change Resistance

BASIC CONCEPTS OF RESISTANCE TO CHANGE

The basic concepts through which resistance to change may be understood are: **subject of change, object of change, human activity, necessities, interests, motives of behavior, goals, values, norms, social roles, expectations, pretentions** (Davidkov, 2006; 17).

Figure 1. Basic concepts for describing resistance to change
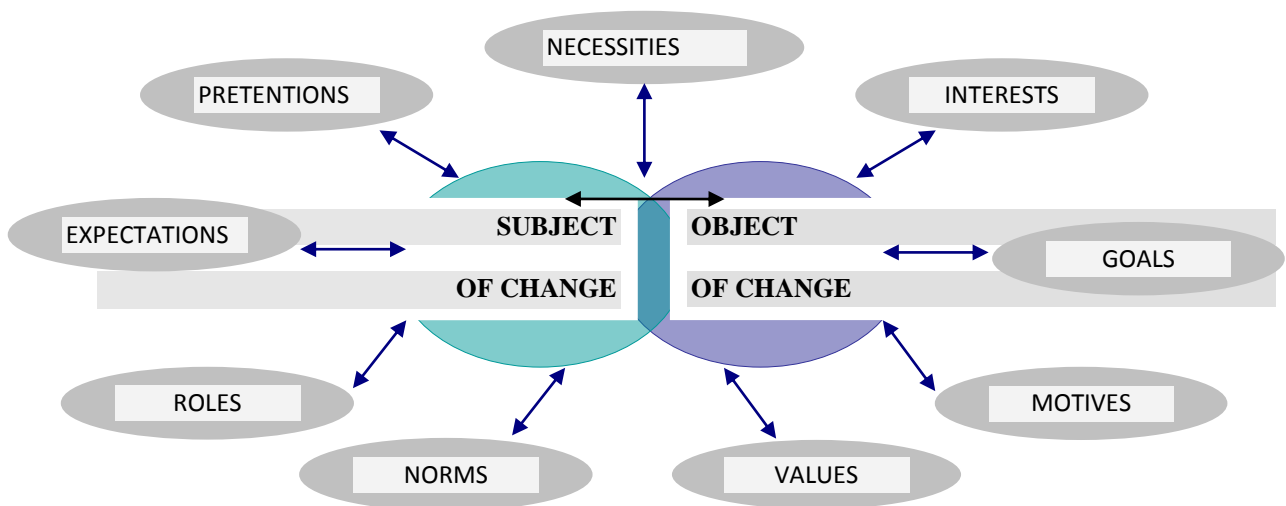
By **subject of change** we mean an individual with his or her cognition and behavior. Being the subject means being the active party, the one that *carries out* the change. **Objects** are all entities who are submitted to the influence of the subject's actions, towards which the organizational change is directed; the object is the source of resistance to change (Paunov, 1996; 22).

People need various elements from the environment in order to exist. They need air, food, ideas, social contact, recognition… In common language we designate all those with the concept **necessities**. In theoretical context, with 'necessity' we label the dependence of people on the conditions of their existence. People have a lot of necessities and they fulfil some of them by entering management. People work in a collective manner. In order for their combined activity to be effective, the individual efforts must be coordinated, directed in one direction. This very same necessity makes the need of management as a tool of integration understandable. Through it the individual efforts are subjected to common goals, strategies, and plans. A higher degree of effectiveness is achieved from the collective activity. The various human necessities are the basis for understanding resistance to change (Durankiev, 2004; 13-14).

Thanks to their collective work, people achieve their interests because the relationships between them are a source for fulfilment of interests, and often, of conflicts. The members

of a given organization have similar and differing interests. Management of organizational change affects the way separate people and groups within the organization fulfil their interests.

Knowing the **motives** of behavior of the parties involved in management relations is of uttermost importance because achieving results through the people in the organization requires a correct motivational policy. For people motives of behavior are the goals they are chasing. We can see common as well as differing traits between the motives of separate individuals and social groups. The same activity can be caused by identical, but also by different motives. Different activity can also be a subject to identical or different motives. When analyzing resistance to change in the organization, we need to consider these motives.

Management pursues a **system of goals**. The presence of clear, attainable, valid, shared, desired goals is a vital requirement for the effectiveness of organizational activity and the management of organizational change. The official goals of management are the goals bestowed in front of the organization. In practice, however, the combination of goals pursued in one organization is quite broad and diverse. The individual members of the organization, various units and organizational communities all have their own goals. Goals can be official and unofficial, long-term and short-term, overt and covert etc. In view of this, special procedures may be used in organizations through which opportunities for creating a hierarchy of the goals may be pursued, for uniting people under common goals etc. The quality performance of these tasks is very important for the success of the organization as well as for overcoming the resistance to change.

By definition, people in every organization strive to uphold common goals, follow common strategies and the plans for their execution. As a rule, the people within the organization also share certain **values**, have relatively similar *understanding* and *notion* of the organizational events. *Organizational values* have the role of reference points – they show the employees what behavior is expected and not expected of them.

Norms (rules) are the other face of values, they are related and based on them. For example, it is important for us to use rationally our work time (*value*) and, therefore, it is unacceptable to be late (*norm, rule*). The rules within an organization can be official (formal) and unofficial (informal), overt or covert. The behavior of the employees in practice is governed by rules, which can be related to official as well as to unofficial rules. Hereby, managers (for indeed they are the people who set the rules within the organization) can draw important conclusions on resistance to change:
- If we want the system of official rules to function with the goal of overcoming resistance, it has to be composed of fewer in number and clearer in meaning rules.
- If we want the system of official rules to function with the goal of overcoming resistance, it must not contain contradictions within itself.
- If we want the system of official rules to function, the rules need to be plainly explained, to have a clear reasoning (Bunkova, 1993; 45).

In the context of management of change in organizations, the general concept of the social role is rendered concrete in the concept of the **organizational role**. It also may be regarded as prescribed and desired behavior in the conditions of interaction in the case of a given activity. Amongst the important questions pertaining to organizational roles is that of *work structuring* – on execution level as well as concerning management functions. For a given work to be executed justly, the director often strives to allocate it in such a manner that everyone is to receive that part that he is most suitable for – has the required qualification (competence) and willingness to perform it (under the given circumstances and limiting conditions) (Andreeva, 1996; 17). More often than not, the case is that people receive unsuitable organizational roles and this leads to a diminution of their contribution to the organization which respectively leads to resistance. In order not to commit this mistake very often, we have to bear in mind that every organizational role is performed in a system of relationships. As a rule, we can choose some of the roles while others are pressed upon us from the outside. A single individual (in the concrete environment) may combine the performed roles in harmony but there may be a problem regarding their proper execution. In this case, we usually talk about a *role conflict* – a prerequisite for resistance to change.

As to the importance of **expectations** in the process of management, as a starting point we will use the thesis: *people have expectations and act according to them*. To be able to show the importance of this prerequisite for accomplishing change, the two logical schemas with the help of which we define expectations are:
- When connecting *expectations* to the performed *organizational roles,* our attention is focused on the following questions: how people form their criteria for performing organizational roles; what makes them have adequate or inadequate expectations of the performers; what we do when these expectations are unduly high or low; what our capacity to form proper expectations is, etc.
- When connecting *expectations* to the fact that people act according to their ideas about a certain *relation between matters* (usually of the type "*cause – effect*"), we strive to use these ideas to stimulate the good work performance of the employees.

Pretentions are an expression of our own requirements of others and of us. They are based on our appraisal of the *value* and *meaning* of matters and of the *appropriate behavior* – what behavior others have to have towards me; what my behavior has to be towards others. As a rule, people are satisfied when their pretentions are accepted by others as reasonable, logical, timely and well-founded. Requirements are related to the criteria for work evaluation. To overcome resistance to organizational change, it is important that people have a relatively similar understanding of important organizational events and, based on them, to form universal requirements and criteria for evaluation. The manager, who knows the necessities, norm, motives, goals, expectations, roles and pretentions of his employees well, can properly describe, explain and predict their behavior. Thus, he/she is capable of stimulating the desired behavior and shape adequate strategies for managing resistance to change.

RESISTANCE TO CHANGE: STRATEGIES AND METHODS OF MANAGEMENT

Because of different goals, values, motives, expectations of the people in an organization, resistance to change is a natural and unavoidable event. Therefore, the administration has to expect it and be prepared for its effective management. Before stepping in to execute the organizational changes, the administration (subject of change) has to: be in the know why people do not want changes; to map out measures for overcoming resistance to change; to undertake actions for decreasing the possible resistance (Andreeva, 1996; 255).

The management of change is related to different in character strategies for overcoming resistance. These management strategies can be divided into two groups: **technocratic** and **humanistic**. By using the former, managers try to "break" the resistance using force and coercive methods, while the latter relies on social tools, methods and technologies (Cole, 1995; 55). Important management steps for overcoming resistance include: *persuading the parties concerned about the change; showing support for the parties concerned; overt communication; participation of the parties concerned in the planning and execution of the change* (Cowling, Stanworth, Bennett, Curran, Lyons, 1989; 33). A more synthesized concept for overcoming resistance, reasons for it, as well as possible problems and consequences are presented in Table 1.

Table 1. Methods for overcoming resistance to change (Ivancevich, Glueck, 1999; 67)

Method	Recommended in the following situations	Positive outcomes	Problems
Communication and persuasion	Resistance is based on lack of or inaccurate information	Agreement and positive attitude are present if people are persuaded in the advantages of the changes	Requires a lot of time if many parties have to be involved in the process
Cooperation	The subjects of change do not possess all the necessary information to accomplish the change. The objects – the affected parties – have great power potential and substantial resistance capabilities	Helps people understand in the depth the need for changes, as well as integrate the available information in drawing up an action plan for changes	Requires a lot of time, the results do not match the goals of the administration

Support	People resist because of fear of difficulty with adjustment	Optimal strategy for solving personal problems	Requires a lot of time, costs a lot, there is a serious possibility for failure
Negotiations	Losses for the affected parties who have power and resistance capabilities	Relatively easy way for overcoming initial resistance.	Costs a lot, is often ineffective in achieving the preliminary goals in a comparative plan
Manipulation	The other methods are expensive or inappropriate	Used often to enact quick changes with low degree of participation by the affected parties	Future problems if the manipulation is uncovered
Maneuvers	The other methods are unachievable or expensive	This method assists in overcoming resistance through quick and inexpensive problem solutions	Causes new problems and lack of trust
Coercion	Changes must be enacted fast; the subject has strength and power	Can quickly overcome any type of resistance	A risky method: leads to disillusionment of the affected parties, withdrawal and passivity in conducting organizational changes

TO SUMMARIZE

- The basic concepts through which the resistance to change may be understood are: subject of change, object of change, human activity, necessities, interests, motives of behavior, goals, values, norms, social roles, expectations, pretentions.

- Because of the different goals, values, motives, expectations of the people in an organization, resistance to change is a natural and unavoidable event. Therefore, the administration has to expect it and be prepared for its effective management. Important management strategies and methods for overcoming resistance include: persuading the affected parties in the change; showing support for the parties concerned; overt communication; participation of the affected parties in the planning and execution of change; negotiations; maneuvers; coercion etc.

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Effective Communication

Communication is a *form of universal exchange* between the participants in a social production. They relate ideas, propositions and arguments, suggestions, convictions… items, goods, services… - all results from their activity – material, transforming, and mental. By means of this exchange, participants in the common working process achieve better understanding of their tasks and functions and their place in the process of common activity.

Communication is a degree of being (way of life) in human societies. People live and work together, organized within different groups and communities. The evolution of human society suggests an accumulation of experience in the production and specialization of the various participants in the production process. This specialization indicates that people become more and more dependent on one another – to acquire the necessities of life, they are compelled to exchange the fruits of their labor. This is what unites (integrates) them.

Communication is a process of manipulating, transmitting, and receiving information. We can outline the following general elements within this process (Angelov, 1995; 76):
- Information sender (message);
- Transmission of a message (as an activity, event);
- Channel or channels of communicating a message;
- Intermediaries who facilitate the communication;
- Destination of the message;
- Message recipient;
- Feedback.

When considering communication as an information process, it is important to note that the sender of the message attaches a certain meaning to it. By using a given language, the sender "codifies" given meanings in the message. The recipient "deciphers" the message, tries to understand its meaning. Under certain conditions the meaning of the message is unambiguous, that is to say the meaning *intended* by the sender and the one *derived* by the recipient are the same. In other cases ambiguity exists (Hellriegel, D., Slocum, J. W., 1993: 643).

Communication is a human activity. Every form of human activity can be described with the composition of terms, included in the above outline. With a "*subject*" we designate a person, or a group of people, who exercises an activity. The *object* is on the receiving end of

that activity. The human activity is indeed the connection between the subject and the managed object.

Communication is a form of *interaction*. In the description of communication as a human activity we underscored that the active party (*the subject*) influences the passive party (*the object*). In practice, every person (group of people) is both a subject and an object. By definition, every activity is an interaction. This pertains fully to communication.

FUNCTIONS OF COMMUNICATION. WHAT PURPOSE DOES COMMUNICATION SERVE? WHAT CAN WE ACHIEVE THROUGH COMMUNICATION?

Human activity has a meaning when trying to achieve certain goals. Communication is a specific form of human activity and, therefore, is valuable as a means for achieving our goals (Davidkov, 2002; 290-293). Through communication we state our opinions, views, and beliefs and learn about the opinions and views of others. Thus, we *identify* ourselves and our partners. People learn to know themselves by drawing comparisons to other people. Indeed, through communication we obtain the norms and standards we need to consider (Kempner, T. (ed.)., 1999; 564).

Communication gives us the chance to *form an opinion about reality* by acquainting ourselves with it and understanding others' opinions of it. In this case, we are not only interested in what the odds and ends are, but *how others perceive them* as well. When communicating, *we defend certain interests* and *take responsibility*. To defend one's interests is to give reason for one's right to act and think in a certain manner. At the same time, we take responsibility for the opinions and acts that we defend.

We communicate in order to *find our bearings* within a situation, *to verify* and *correct* our opinion and plans. This gives us the feeling that we are on the right path, makes us more self-confident and assured. Every man needs proper reference points to feel reassured. Reference points give us the opportunity to understand what meaning others hold for us, what we want and how to achieve it. Stable reference points give us the opportunity to prudently plan our behavior and make effective use of the available resources.

Through coordination we bring in line our own efforts with those of other people. In this way, our combined activities are more effective and productive. The coordination of the common effort is a mandatory requirement for achieving the goals of the group in an effective manner. Thanks to it, the performance of the group as a whole is augmented and a systematical effect is achieved – a result which is not obtainable by any single individual in the common work process, nor is the simple sum of the results of the work that everyone can achieve by themselves (Handy, 2003; 236-237).

Communication is a means of receiving, processing and transmitting information. When we think, we process information. When we write a letter, we are preparing a message (of information). Modern society, more often than not, is said to be an *informational* one. The 21st century is also an *informational* one. People realize the growing role of information and connect success and social status to information technologies. A degree for the quality of modern education is its information support and the ability of teachers and students to work

effectively with information. All this requires a *modern culture of information*. The culture of communication plays a pivotal role in its creation and function.

Communication is a tool for educating and socializing. People obtain knowledge and skills, arm themselves with ideas, develop their intellect and feelings, and learn to perform certain social roles. This is possible thanks to communication within the family, with peers, in school, on the street, through the mass media. Thus, we take in the positive examples which we are to follow or those (negative examples) from which to keep safe distance.
Communication is also a central point for conflicts. Conflicts originate and are resolved in the process of communication. Last but not least, communication is a means of overcoming resistance to change, a tool for managing organizational change (Rahim, M. (ed.), 1990; 445).

In conclusion, communication is a means of managing our life, to set goals and to work towards their achievement. The noted examples do not constitute an exhausting list of our abilities to use communication as a means of achieving goals. We can set other tasks as well and work towards their successful completion through it.

BY WHAT MEANS DOES COMMUNICATION INFLUENCE THE INDIVIDUAL AND GROUP BEHAVIOR OF PERSONS WITHIN THE ORGANIZATION?

As we have already seen, communication is a means for achieving goals. The goals of the organization can be achieved through the concerted, coordinated efforts of the members of the organization. Moreover, communication is *a factor for the good state of organization*. Through it we strive to achieve a high degree of coordination of individual and group activities, such as the collective effort to be all the greater. In the spirit of what was mentioned, the theme about communication within the context of organization can be rendered concrete within the following lines:
Which are the basic forms of communication in the organization? What is typical of them?
What requirements does a given form of communication have to answer to in order to be effective? (And what does it mean to be effective?)
By what means are the basic functions of management fulfilled through communication – planning, organizational work, management, control?
Which are the basic channels for communication within the organization? What are their pros and cons?
Which material devices of information do we use?
What are the contents, direction, organization and structure of the information currents? In what way do they influence the effectiveness of management?
What conclusions can we draw of a given organization by examining the forms of communication within it?
What norms of communication have to be followed when making a group decision? What is best to avoid?
Are there any general rules which can guarantee the effectiveness of communication?

The influence which communication holds over the behaviour of people and groups in the organization can be traced to them forming their *subject-object opinion* (that is to say, the influence over the forms and stages of organizational *activity/passiveness*), *needs, interests,*

motives, goals, values, norms, organizational roles, expectations, and aims. At the same time, due to its attributive character (communication is an inseparable part of every human activity) communication has a direct or indirect impact upon every organizational event.

The official communications are part of the working production and management in organizational structures (Ivancevich, J., W. Glueck, 2006; 237). These communications come into play by various official forms; inter-organizational forms of communication (oral, written, electronic), orders and regulations from the directors to the employees, official consultations with those of lower rank (as a form of feedback), forms of communication of the horizontal channels (mutual notification in order to decide upon the tasks and coordination of common activities); communications with partners from outside the organization (e.g. dealing with deliveries, statistical data, health and social security, regarding taxes, communiques and others).

There are various communication channels at work through which *informal* (*non-official*) communication takes place as well. People communicate on the grounds of their personal preferences (like-dislike, interests, similar or different understanding on given matters, etc.) Certain needs of the persons in the organization can be met both through formal and informal communication. Nonetheless, neither of them is able to singlehandedly satisfy all the needs related to communication. The behavior of the people and groups within the organization is the collective result of the influence of formal and informal channels of communication (Armstrong, 1993; 45). In line with these descriptive and explanatory outlines, the knowledge of management must be expressed in a concrete form and it should examine matters in their real context.

Is it possible to claim that intensive information exchange is always a sign for *openness* and *modern management thinking*? Bureaucracy maintains its position of power thanks to secrecy – bureaucrats hide information which in turn makes them more powerful and influential. However, bureaucracy may use another tactic – to show high activity in information exchange – for example, to send correspondence from one unit to another multiple times on formal grounds.

In a well-organized working group, everybody knows their tasks and does their work without needing additional instructions or coordination. In this case, we can see a low intensity of communication better known as *reticence*. However, this does not render the group ineffective. In the "opposite" group, the employees are not acquainted with their duties and continuously have to ask their superior and each other to coordinate, to specify. Here we can see an intensive information exchange and readiness to communicate. Does all this make the group effective? These and many other examples encourage us to withhold from making conclusions *in general* – the conclusions on effective organizational communication must be tangible and based on solid grounds.

TO SUMMARIZE:

- Communication can be regarded as a form of universal exchange, a way of life of the organized human communities, process of information, human activity, and interaction.
- Communication is a means for achieving goals. Through it we can state our opinion (and learn about the opinion of others); form our opinion of reality; defend our interests and take responsibility; find our bearings and help others find theirs; verify and correct our feelings and stands; coordinate our efforts with those of our partners; inform each other; solve conflicts etc.
- Communication is a factor in good organization and coordination; it is a means for forming and understanding the subject-object position of people in the organization, of their activity/ passiveness, needs, interests, motives, goals, values, norms, organizational roles, expectations, and aims; the quality of how communication influences the way in which the functions of managers are fulfilled – planning, organizational work, management, control and management of change.

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Conflict Management

Conflict is something familiar to us, but at the same time, it is a very complex and many-sided phenomenon described as:

"Conflict is behaviour aimed to **hinder** someone else from achieving his goals. It is associated with *confrontation*" (Mullins, 1993; 658).

"Conflict is a sharp *clash* between contradicting tendencies at which each party tries to unilaterally manipulate the subject of conflict" (Dzhonev, C. 2000).

"Conflict is *confrontation* which arises as a result of disagreement connected to *incompatible* goals, ways of thinking or feelings within a person or between people, teams, departments, organizations" (Rahim, M.A. (ed.), 1990 cited by Hellriegel, D., Slocum, J. W. 1993; 580).

"Conflict is a relationship between participants of social interaction which is characterized by *opposition* based on contrary directions of their motives (needs, goals, ideas, and convictions) or ratiocinations (opinions, views, evaluations, etc.). Conflict is always *opposition* … which is characterized by mutual causing of damages – moral, material, physical, mental, etc.)" (Emelyanov, 2000; 23).

"Conflict is misunderstanding, contradiction between two or more people" (Monkovski, 1999; 56).

"Conflict could be defined as difference in the interests of the parties involved, which can bring about *confrontation and fight* or *agreement and cooperation*" (Kendal, 1996; 124).

Review of the definitions above shows that conflict is associated with predominantly negative characteristics of interaction between people. The words used are: hinder, confrontation, clash, incompatibility, opposition, causing damages, misunderstanding, contradiction, fight. Conflict also arouses negative emotions – it is associated with bitterness, quarrel, trouble, etc.

We usually consider conflict a *negative phenomenon*. This is due to our experience – when there is conflict we usually observe negative feelings, discontented and insulted people, unproductive efforts, waste of time, tension, etc. When we assert that conflict is "a morbid state" of human relationships, we emphasize its harmful consequences. To the aforementioned list of words, we may add: increase of distrust, disruption in communication, deterioration of organizational climate, etc.

However, if we consider conflict from another point of view, we would understand that it might be a *valuable source* for people within an organization. B. Kendal argued that the difference in interests could bring about *agreement and cooperation*. New ideas and approaches towards work and relationships could be born; many accumulated problems

could be solved; the organizational situation could be understood better. Conflict gives us opportunity to put to the test our own way of thinking and behaviour. The necessity to continue working together with other people (despite the conflict arisen) might make us change our attitude towards them and the subject of dispute. Conflict might also be a cause for the improvement of management skills and productive dispute solving, and also, for changing the team rules. Opportunity for positive changes could be considered as one of the most important constructive opportunities in cases of conflict.

Authors have made various attempts to categorize conflicts. They could be differentiated according to the level at which they occur – interpersonal, group, or organizational. Various configurations of the parties of a confrontation are possible, and the following types of conflicts are pointed out: 1. Conflict between the organizational objectives and private ones; 2. Conflict between some teams and groups in the organization; 3. Conflict between formal and informal organizations; 4. Conflict between the manager and the managed; 5. Conflict between the people and their job. 6. Conflict between individuals (Mullins, 1993, 663).

Conflicts could be differentiated based on the reasons they have arisen for – caused by material interests, by shortages in psychological needs, by discrepancy in values and convictions (Minkovski, 1999, p. 61-62). Other characteristics used for the description and classification of conflicts are conflict duration, intensity, resources involved, etc.
Knowing various classification schemes helps us to better identify conflict situations and make our well-grounded choice of strategies for conflict management.

CONFLICT DESCRIPTION AND EXPLANATION MODELS

The models that describe conflicts are a diagram of their course and development. During the study of the actual models, namely, the process model, behaviour model, and communication model, their limits should be pointed out:

- Every conflict is individual and unique. It has specific temporal and spatial parameters depending on the environment, type of organization, phase of organization development, and other variables; similar to looking through the prism of an individual point of view, experience, attitudes, environment of the organization.
- These models are a construction which, in fact, is far poorer as an explanation than the practice and manifestation of conflicts in real life.
- The models could be used in combination for achieving profoundness and logic continuum when studying conflicts within the organization.

CONFLICT PROCESS MODEL

According to process model, conflict is comprised of four major phases of development: attitudes and convictions participating in the conflict; the conflict itself, response of participants; results from the conflict. (Figure 1)

Figure.1. Conflict process model
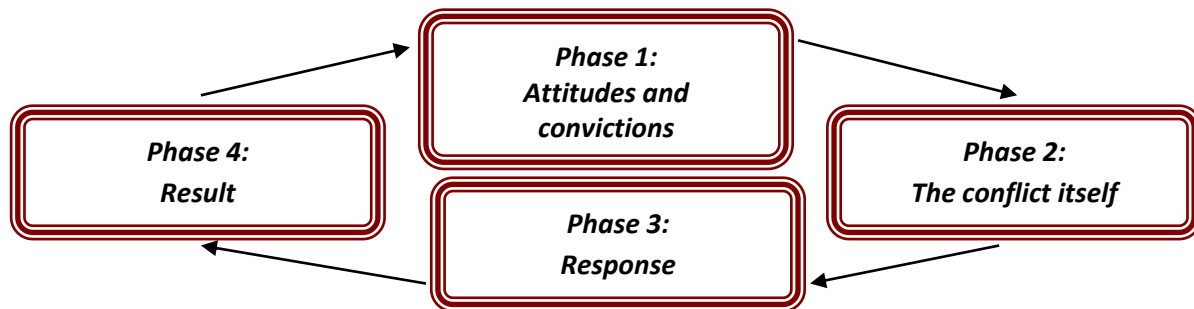
The major variables of this model are:

The attitudes and convictions are the basis on which conflicts arise. It is in them that our ideas of the essence of conflicts, reasons for conflicts, parties' behaviour, ways of resolving disputes, and dealing with conflicts find expression. In order to act upon attitudes and convictions, we must know the sources and mechanisms through which they have been formed –family, school, friends, institutions, media, etc.

The conflict itself describes the course of conflict from the moment when the parties perceive the first symptoms that "there is some trouble" to the rupture of parties' relationships. A) Initially, there are some indicators for confrontation. B) Parties become aware of differences, and a process of "clarification" – usually with slight display of aggression, follows. C) The conflict escalates – positions of parties become irreconcilable. D) A process of separation and divergence follows. E) The final sub phase could be designated as degradation and destruction.

Respond. Typical for this phase is that one of the parties (or both) takes some actions against the other. The response could be shouting at each other, attempt to talk about the situation, or just withdrawal.

Result. The result is often negative – offense, dissatisfaction, broken communication, bad psycho-climate, but it could be a positive one (for example, desire for better understanding of the problem that has caused the conflict in order to solve it).

This model is an attempt to outline conflict progression. The actual indicators of an existing conflict assume both similarity and deviation from this scheme.

CONFLICT BEHAVIOUR MODEL

As far as the conflict is a phenomenon related to individual and group behaviour, we can think of conflicts as human activities as well. Using this model, it directs our attention towards the identification of *subjects* and *objects* in the conflicting process, towards the content of *communication*, *needs*, *interests,* and *motives* of parties. The parties' *objectives* and *value-normative* orientation, *roles* that perform and relate *expectations* and *demands* to them are also important. Description and explanation of the conflict by the aforementioned categories gives us the opportunity to understand its essence and its importance for the

people involved. From this, we can deduct some possible ways to direct behaviour in the right direction.

COMMUNICATION MODEL OF CONFLICT

Communication is the only possible mechanism through which organized human activities can function. The main concepts with which we describe this model are: *message* (including information, meaning of message, etc.); *source/recipient* of the message; *coding/decoding* of the message; communication *channels*; *feedback* (informational). The capability of this model for adequate conflict description and explanation grows bigger when we consider the conflict communication aspects in the context of behaviour (see behaviour model). The heuristic capabilities of the model get better with introduction of the organizational context as well.

REASONS AND SOURCES FOR APPEARANCE OF CONFLICT

Possible reasons for conflicts are: *aggressive human impulses*, *differences in interests*, *confrontation of values*, *competition*, *traditions in the organization, company procedures, style of management, technologies, etc.).* Conflicts could be associated with bad communication, private interests, or with the propagandists work – for example, the labour unions (Mullins, L. J., 1993, 591). Conflicts might have their roots in the *competition* between employees and/or the organization departments. They might be caused by *incompatibility* of objectives – those of individual people, teams, and organizational groups. Conflict sources may also be: differences in the perception of organizational phenomena; limited resources; specialization and organizational division (structuring); work tasks nature; roles performed; different attitude towards employees; trespassing other people's territories. Some of the conflict stimuli have their roots in the external environment.

A summary of the reasons for conflicts might look like this – conflicts caused by*: a) material interests; b) deficits in psychological needs; c) differences in values and convictions* (Minkovski, 1999; 61). It is important that we should not forget that the aforementioned conflict sources are not universal causes of tension. They become such under certain conditions. If in an organization people belong to different races, religions, cultures, etc. and they show tolerance and mutual respect, conditions for conflicts based on these differences are minimal. The situation would be different if there is a conviction that a certain race/ethnic group/culture is superior to the others and if there are no mechanisms for containment of aggressive impulses.

In order for the conflict to be understood better, we must differentiate between the positions declared by the parties and the motives "behind" these positions. This differentiation aids us to understand the *grounds* and the *personal meaning* of the declared position. When we identify the reasons/ sources of conflicts, we can divide them into two groups: a) *objective phenomena* – the things as they are; b) *perception* (understanding, interpretation, rationalization).

BEHAVIOR IN CONFLICT SITUATIONS

Research of people's behaviour in conflict situations is very important for at least two reasons: in order to realize what we can expect, and secondly, to prepare for adequate

actions and response. Our behaviour in conflict situations is a combined result of multiple objective factors and the way we perceive them. The choice of behaviour in conflict situations depends to a great extent on the way in which we believe the conflicts should be resolved. In one of the possible classifications, the personal strategies for coping with the conflicts are described like this: *adaptation, capitulation, escape from conflict, resignation, compromise, integration, compulsion*.

Styles of behaviour in conflict situations could be designated as rivalry, cooperation, compromise, avoidance, adaptation. These styles are a combination of two factors: to what extent we try to impose our own position and to what extent we are inclined to accept the other party/ parties' position. When people become well aware that they have to change their behaviour in conflict situations, they need support so that they could develop the skills necessary for this change. It is also important that they are encouraged since it is not an easy task.

CONFLICT MANAGEMENT OR CONFLICT RESOLUTION?

There are different views on approaches, strategies, techniques, etc. for managing/ resolving conflicts. Some authors consider conflict management and conflict resolution the same thing, while others distinguish them (Dronzina, 2001, 37).

M. Armstrong offers three ways of conflict resolution: peaceful coexistence, compromise, and problem solution (Armstrong, 1993; 231-232).
During conflict resolution, we have to take into account the following set of factors (Mullins, 1993; 663-664):
- Clearing up the goals and tasks.
- Appropriate distribution (redistribution) of resources.
- Building up and development of policies and procedures related to personnel management.
- Non-pecuniary benefits.
- Development of interpersonal/ intergroup skills.
- Encouragement of appropriate team activities.
- Improvement of the management/ leadership style.
- Review and improvement of various organizational processes.

In order for the parties to have the chance to resolve the conflict without external assistance or interference, it is necessary that they negotiate (they have not broken communication between them). This approach is a constructive one, and for this reason, if there is a conflict, the efforts should be concentrated on encouraging the parties to continue to communicate and resolve the conflict by themselves.

TO SUMMARIZE
- Conflict is associated predominantly with negative characteristics of relationships (confrontation, clash, fight, etc.), but it might be valuable to the organization results as well.

- Through the process model, we can see the conflict development in its four phases – attitudes and convictions, the conflict itself, response, and result. The behaviour model directs our attention towards the needs, interests, motives, objectives, values, norms, social roles, expectations, and demands of the involved. The communication model lays emphasis on the communication quality.
- Under certain conditions, reasons/sources for conflicts could be competition, interests, various values and convictions, aggression, organization roles, etc.
- For efficient management of organizational conflicts, managers could use various strategies such as clearing up objectives and tasks, development of appropriate organizational policies and procedures, development of interpersonal skills, improvement of leadership style, etc.

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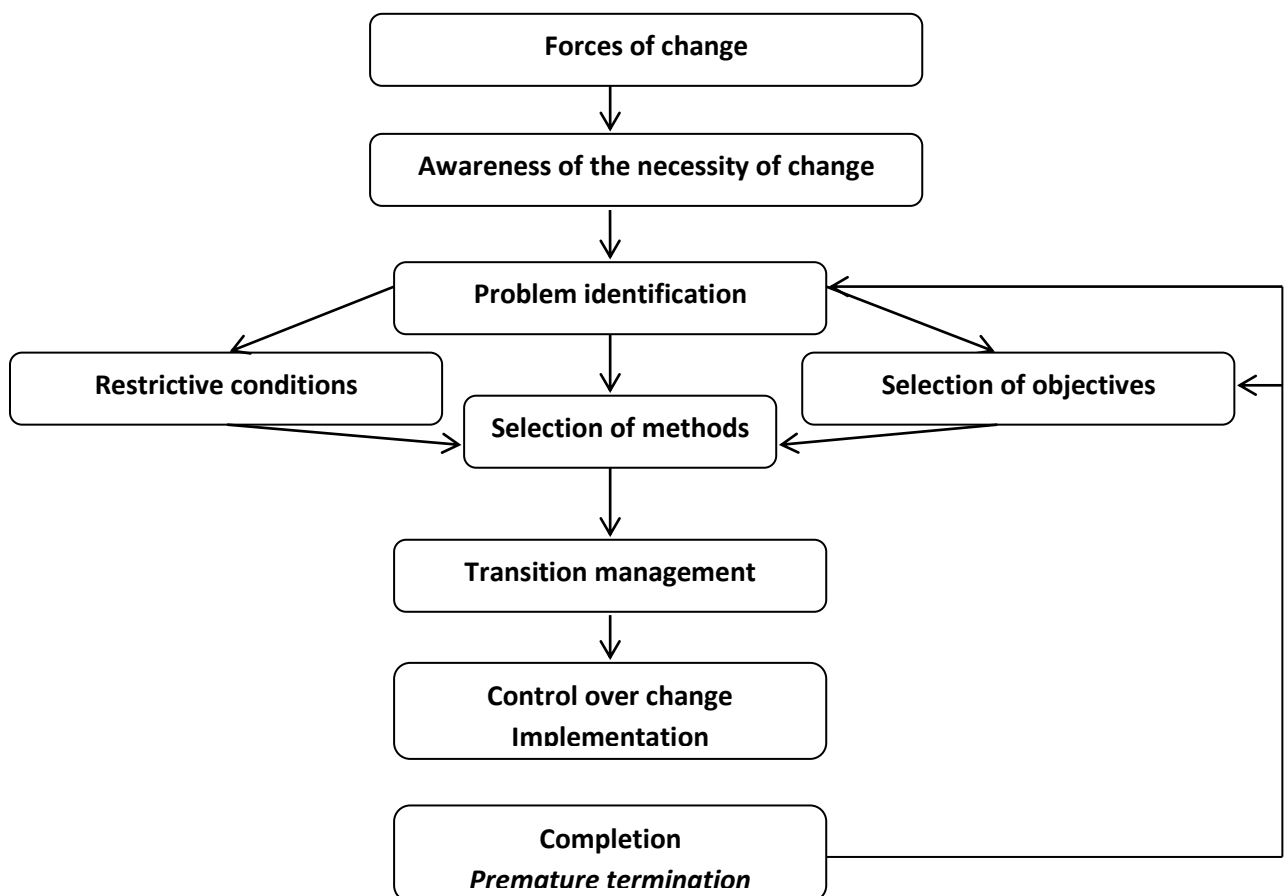Rahim, M.A. (ed.) (1990) Theory and Research in Conflict Management. Westport.

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Change Management in Higher Education

CHANGE MANAGEMENT MODEL IN HIGHER EDUCATION

Changes in higher education are important priorities related to the economic, social, and educational prosperity of society. The character, types and peculiarities of these changes depend on the political development model of a country, internationally or nationally accepted policies, standards and strategies in the sphere of education. Despite these restrictive conditions, the general management change model in higher education is comprised of several consecutive stages as shown in Figure 1.

Figure 1. Change management in higher education (Adapted to: Cowling, A. et al, 1989; 55-67)

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              ┌─────────────────────────────┐
              │      Forces of change       │
              └─────────────────────────────┘
                           │
                           ▼
              ┌─────────────────────────────┐
              │ Awareness of the necessity  │
              │         of change           │
              └─────────────────────────────┘
                           │
                           ▼
              ┌─────────────────────────────┐
         ┌────│    Problem identification   │◄───┐
         │    └─────────────────────────────┘    │
         ▼             │                          │
┌──────────────────┐   ▼        ┌──────────────────────┐
│   Restrictive    │  ┌──────────────────┐  │ Selection of      │◄─┐
│   conditions     │  │   Selection of   │◄─│    objectives     │  │
└──────────────────┘  │     methods      │  └──────────────────────┘ │
         └──────────► └──────────────────┘                          │
                           │                                        │
                           ▼                                        │
              ┌─────────────────────────────┐                      │
              │    Transition management    │                      │
              └─────────────────────────────┘                      │
                           │                                        │
                           ▼                                        │
              ┌─────────────────────────────┐                      │
              │      Control over change    │                      │
              │       Implementation        │                      │
              └─────────────────────────────┘                      │
                           │                                        │
                           ▼                                        │
              ┌─────────────────────────────┐                      │
              │         Completion          │──────────────────────┘
              │   *Premature termination*   │
              └─────────────────────────────┘
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At the beginning of the process, the educational institution must first **realize the need for change**. It is not enough for the **reasons/forces for change** to be present; **the higher education institutions managers** must understand and evaluate the change; further on, they have to decide whether the change will be useful for the future strategies of the institution. It has been already said that not every potentially necessary change will be implemented. The educational structure managers must consider the circumstances, the positive and negative sides of the changes and must conclude that the system is not effective enough and therefore it has to be changed. Very often managers restrain themselves from changes

because they are accustomed to the way their institutions are organized and work. Such behavior is labeled "strategic shortsightedness."

In the next stage – **"problem identification"**, the higher education managers search for answers to some of these questions:
- Where the problem has come from;
- To what extent the consequences of the problem could prove to be essential for the educational institution and whether they could be overcome;
- Which the leading aspects of the problem are – it should be taken into account that every problem is interdisciplinary, but in some cases, the leading problem is technical, and in other cases, it is organizational – a problem concerning the personnel, technological problem, etc.;
- What the problem dimensions are and whether it is possible for the problem to be divided into fragments so that each fragment is solved separately;
- How fast they have to act (Handy, 1986; 55).

This is a period of time for gathering information about what has happened. This information could come from current reports of the personnel at the higher education institutions, from various data about changes in the external environment of the social institution, such as expansion of the international educational opportunities, new educational technologies, demographic tendencies, the percentage of students, macroeconomic and microeconomic changes, the peculiarities of a certain region, where the educational institution is located, etc. The problems lying before educational institutions, figuratively speaking, "have many faces." There are situations in which the objectives of the higher education institution have been achieved. These situations need nothing else but to set objectives for the next period of the organization's regular operation. In other cases where objectives have not been achieved, it is enough for the management to undertake some correcting actions (adjustments). These correcting actions are designed to protect the system against some deviations, not to change them. However, there are more difficult situations in which only corrections would be insufficient. It might be necessary to change the objective of the higher education institution; to change the work of the organization or the organizational strategies and policies; it might be necessary to analyze certain subjects as well as to establish new ones.

After the essence of the problem has been clarified, the higher education institution management shall determine methods for solving it, and along with this, shall outline the **main limitations** that have to be taken into account:
- the time the institution has;
- the funds the institution can allocate for the purpose of change implementation;
- discrepancies between some influential stakeholders' opinions and ideas;
- disagreement and resistance on part of the employees;
- statutory limitations.

At the next stage, managers have to select the **the methods for change in higher education**; these methods must be coordinated both with the objectives and the limiting conditions. Along with them, they also select the criteria and indexes which will serve as a tool for assessment of the success or failure of the organization. In case it is a planned change, the

higher institution management can work out a schedule for the fulfillment of the main activities related to the introduction of change. If the management responds quickly to the critical situation, such a schedule is not necessary.

Depending on the peculiarities of change, the strategies will be different:
Revolutionary change – rapid, clear, planned change at which there is low participation of the personnel and the students as participants of change;
Evolutionary change – slow, initially unclearly planned change, at which the personnel and the students take active part in the change realization, and the resistance is minimal.

At the stage **"transition management"** the higher education institution management has to solve three significant problems:
- coping with the resistance of the personnel and/or students;
- coping with the negative influence of the specific interests groups;
- keeping the control over the educational institution management.

Resistance to change and negative influence arise because of the uncertainty related to the final objectives and results of change in the sphere of higher education. Resistance, along with the other possible limiting conditions, acts as a containing factor against change implementation. Resistance could be presented at both individual and team organizational levels. Usually, it is an emotional experience for all the people affected by the change. Thus, two groups of "change forces" are formed – driving forces and restraining forces. Driving forces are those that give rise to the necessity of change while restraining forces hinder their realization. Driving forces only give rise to the necessities, and the higher education institution management and personnel must play an active role in realizing the potential for change. Conversely, restraining forces, at individual or organizational levels, will delay, stop, divert this change; they will hinder it because it brings them only negatives (or at least that is what they think).

In order to respond in an adequate way, the higher education managers have to be informed about the **basic reasons for resistance** (Hellriegel, 1993; 49):
- **the fear of losing something valuable** – the personnel fears that as a result of changes, their own interests would be impaired – they might lose their former positions, their status in the higher education institution or in society;
- **wrong understanding of change and its consequences** – in case of a lack of confidence between the change initiators and the personnel of the higher education institution;
- **the opinion that the change is pointless to the organization** – people perceive change in different ways; it seems to them that they have to put a lot of efforts in order to achieve some results, which, according to them, is not worth doing;
- **low tolerance to change** – people's resistance is caused by the fear that they will not be able to develop the necessary skills and performance which would be required.

Indeed, uncertainties about change are many, and people are tolerant to the unknown at different levels. However, changes might bring about better work results of the higher education institutions, especially when the change steps have been planned, when the

personnel, the students and other interested parties are aware of what is to come and know how to act and adapt. In order to reduce and limit the resistance against change, the higher education managers can use various **approaches**. They are given in ascending order according to the level of difficulty of resistance situations (Hellriegel, 1993; 45-47):

Education and communication –preliminary training and explanation of the point and course of the organizational change must be used. This gives the opportunity to every interested party to get acquainted with the changes and be aware of the necessity of change.

Participation and involvement in the change process –the potential opponent to change might be attracted this way. On the other hand, this is the way in which a feedback between the change initiators and the people involved could be created. In case a rapid and/or immediate change is necessary, the involvement of the personnel will require a lot of time and resources.

Support – an appropriate action for reducing fear and anxiety, but it must be taken into account that time is necessary for its realization.

Negotiations and agreements – reduction of resistance could also be attained through stimulation of the personnel activity in the change process.

Staff manipulation and attraction – educational institutions management must use well selected information and deliberately arranged events for the purpose of convincing the personnel in the use of change and the personnel's incorporation in the change process. In order for an individual to be drawn to the cause, he/ she might be given a certain role in the change implementation; as for drawing a group into the organization, attention could be directed towards its leader or the most respected member of the group. On the one hand, application of this method is easy and fairly inexpensive for the organization. On the other hand, if people find out that they are being deceived, their reaction will be negative and they will not take part in the organizational change process.

Overt or covert compulsion – Extreme and very hazardous way for overcoming resistance which inevitably makes people oppose the imposed change. In a situation when the change rate is significant, compulsion could prove to be the only possibility.

The management of a higher education institution must select an appropriate set of methods for reducing the resistance depending on the peculiarities of the specific situation; the application of these methods must be consistent and interconnected. An important moment for the completion of every change process is for the higher education institution management to keep things in control during the change implementation process. It is of great importance to the successful change implementation to choose: the right moment for the start of the change and the change rate as well as the active participation of the higher education institution management.

Change is important to any educational institution. Knowledge of the essence, types, reasons, and factors of change contributes to its successful implementation in the higher education institutions. Change management in the sphere of higher education is a complex process which goes through several stages; this process requires the active participation of the management and the incorporation of the personnel for the realization of change.

TO SUMMARIZE

- Change is of great importance to any educational institution. Knowledge of the essence, types, reasons, and factors of change contributes to its successful implementation in the higher education institutions.
- Change management in the sphere of higher education is a complex process which goes through several stages which require the active participation of the management and the incorporation of the personnel for the realization of change.

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