

## THE CONDITIONING OF CHANGE MANAGEMENT – THE PERSPECTIVE OF MANAGERIAL STAFF

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### **ABSTRACT**

*Modern enterprises function in the quick-change environment. The external changes impose the necessity of flexible activity with keeping the priorities coming from strategic goals of the organisation. The sheer strategy also undergoes perpetual changes. These changes are both adaptable and developmental. In this context management of change grows to the rank of key competence. It is the competence of entire organisations which have to know how to activate their resources and support high level of organisational energy. So that implemented changes are the source of competitiveness and values. It is also the competence that is assigned to managers who make decisions about dynamics and process of changes. That is why diagnosing of managerial staff's opinion about the conditioning of change management had been considered as cognitively interesting. The inquiry form has been used as a research instrument. Middle and senior management (60 people) that represent corporate sector were involved in the research. It comes from the research that in the Polish enterprises adaptable changes (including mainly adjustment to changing rules of law) and the changes that constitute the answer to the crisis found in an enterprise dominate in Polish enterprises. Changes in the employment pattern, in organisational structure and technological ones are the most often made changes. The stakeholders who initiate changes are primarily the executive, the owners and also competing enterprises. Wrong policies of informing about the changes, making adjustments chaotically and employees' reluctance to the changes have been stated by the respondents as the most important barriers in management of change.*

**Keywords:** *change management, barriers in management of change, managers*

### **1. INTRODUCTION**

Contemporarily existing business entities that want to hold their competitive position and realise their strategy with a bang should flexibly and quickly respond to changeable environment. They should even anticipate these changes by treating them as a source of development and perfecting. Every organisation is a social system with individual and inimitable character. It leads to that change in such system is multifaceted phenomenon since it includes social, organisational and technical problems. It should be therefore analysed as dynamic phenomenon that requires adjustment of processes in their broad sense and professional change management. The aim of the article is to know the managerial staff' opinion about the conditioning of change management in their enterprises. The inquiry form has been used as a survey instrument.

### **2. LITERATURE REVIEW**

The easiest way to divide the changes is inner and outer criterion (Heckmann, Steger, Dowling, 2016). The inner changes more often than not come from manager's decisions that aim at further organization development. On the other hand, the outer changes are derivative of events that have happened in organisation's environment and cause the necessity of its quadrating. D.

Torrington, J. Weightman i K.Johns (2009) have ranked another three situations into the group of inner factors of changes. These following situations are indicative of interferences in organisation's functioning and incipient need of the optimisation in this region:

- 'something' goes wrong – an organisation starts to function worse than it has had, disposal of imperfections and buffering of crisis situation consume too much time,
- at managerial level voices of dissatisfaction start to appear and they are gradually being transformed into projects of specific changes. However, it should be expected that enforced changes will cause resistance of people if people which are being concerned with these changes are not engaged in their preparation,
- the aim of having constantly current market offer.

The thesis that the need of the implementation of the changes often comes from non-effective management (Carr, Hard, Trahant, 1996) had been well documented in the management sciences' works. Loss of profits, staff turnover, growth of operational costs, conflicts and dissatisfaction among crew, reduction of quality of manufactured makings or services, disappointing level of techniques, wear of machinery park, employees' deficient skill level, lack of capital for investment, job performance's fall and small personal involvement of organisation's members in realisation of its goals are considered as inner key determinants. The most important outer factors that cause changes in the organisation come from international and legal environment, economic conditions of a country which the enterprise mainly works in, social and cultural environment that cause the nascence of various trends, technological changes and changes of ownership. The management of change requires defining of methodic proceeding, that is determining of so-called 'path of proceedings'. It as often as not takes the following form: analysis – plan – disposal of idea. The analysis of the starting point and establishment of organisation's ability to change should be every time done. It not only involves effective management of change's individual project but also changes that are realised collaterally or sequentially. Heckmann, Steger and Dowling (2016, p. 778) define this concept as organisation's dynamic ability that let adjust enterprise's abilities to new chances and dangers and also enables to create new abilities. Strategic changes are as often as not implemented in situation when radical modifications occur in the competitive environment of enterprise and it is necessary to adjust to them. They generally disturb not only outer but also inner balance. Strategic management of change requires re-orientation of mission, strategic goals and other essential values of enterprise, change of power's structure, change of decision making system, change of information network system, reorganization in structure, systems and procedures, often also the replacement of part of the employees. The above activities have holistic character. They include with their extent the enterprise or its significant part. Their aim is to nullify and hold back deteriorating of competitive position of enterprise. It usually happens as a consequence of a crisis situation, that is the imbalance with external environment. Adjusting on this significance level for an enterprise should not be randomly done. In such cases it is advised to design and implement the restructuring plan. It should be based on previous diagnostics and analytical works. The enterprise's interactions with an environment should mainly fall within the studying. It facilitates the identification of the areas that need improvement. The most important goal of this process is optimising the usage of enterprise's resources, plateauing enterprise's competitive position in sector it works in, improvement of management and organisation of work. The effect of redefining the strategy is usually to right the inner balance, that is conforming it between structure, procedures functioning in the enterprise and new built mission. When plan of this kind of implementing is being built the following issues should be considered (Burke, 2017):

- goal of business activity, including specific goals – appropriate for every organisation, phrased in strategic and current categories

- functions and processes – relevant to goals' realisation, perceived as often as not by a prism of the main, subsidiary and regulative processes characterized before
- organizational structure – the system of workstations, units and departments with tie-ups settled between them
- resources – team and financial and material means in an enterprise

The goal of business activity determines the programme and diversification of the list of industrial processes. It also influences the choice of technique and employment pattern. Thereunder it affects processes and functions in the organisation.

So the adjustments can be made, the organisation has to be marked by (Judge, Elenkov, 2005):

- a reliable leadership – the management's ability to gain confidence of other employees and lead the way for organisation's members to achieve common goal
- the believers' trust – the employees' ability to constructively resist and also follow a new path advised by leaders
- talented champions – the organisation's ability to attract, upkeep and accredit the leaders of the changes,
- the involvement of middle managers – middle managers' ability to make a stepping stone between the chief management and other employees
- innovative culture – organisations' ability to standardise the innovativeness' norms and encourage to act innovatively
- culture of responsibility – organisation's ability to diligently manage the resources and accomplish the tasks on target
- effective communication – organisation's ability to communicate vertically, horizontally and also with a client
- 'mentality' – organisation's ability to focus on casus' reasons and gained results and recognise such correlations inside and outside the organisation

The so-called 'humanfactor' is the major source of barriers of transforming. This is a reaction and way of perceiving the implemented change by the employees (Carr, Hard, Trahan, 1996). While the necessity of influence and modification of the employees' behaviour to successfully make the alteration can turn out to be the one of the biggest challenge. The changes are individually perceived by people. Some of people perceive changes as the opportunity to develop, others as a risk's source. Line of thought and level of awareness are the sources of this attitude. It structures the individual changes; a perception that is marked out by: conservatism and quest for keeping the environment's status quo; level of sense of stranglehold on your own life; cognitive dissonance that arises when information that person has is different from the state of knowledge and beliefs (Cartwright, Cooper, Jordan, 2006). Individual characteristics as age, education, personality, attitude to work etc. also influence people's attitudes.

### **3. METHODOLOGY**

The results of studies presented in this article are an element of a broader research project. This research was conducted in January of 2018 and concerned 60 representatives of upper and middle management who were also students in the Executive MBA program of the Institute of Economic Sciences at the Polish Academy of Sciences in Warsaw. On account of the relatively small sample size (especially in consideration to women – a total of 18) the study results can be used to identify certain trends or tendencies as well as to formulate hypotheses for further scientific research performed on a more representative group of participants. Study subjects included people having achieved various levels of education but all of their possessed managerial experience had been gained holding high level management positions (an average of 4 years).

Although the site of the study was Warsaw the respondents represented all regions of Poland. The research is based on documented literature relating to the concept of self-awareness or the process of processing information about oneself and one's relationships with the environment. It is assumed that the participating managers possess external self-awareness relating to behaviors, social roles and interpersonal contacts. The aim of the article is to know the managerial staff' opinion about the conditioning of change management in their enterprises. The following research problems have been phrased:

- What type of the changes is the most often made in Polish enterprises?
- Which organisation's stakeholders are the prime movers of the changes?
- What barriers in the effective change management are detected by managers participating in the research?
- How do managers assess their own abilities in the field of change management?

#### 4. ANALYSIS OF THE RESEARCH RESULTS

The recognition of the conditioning of change management requires determination of the areas of Polish enterprises' functioning that are as often as not submitted to changes. The respondents were asked to indicate maximally three such areas (cf. table 1).

*Table 1. The areas that are the most often submitted to changes in Polish enterprises (own work)*

The area of changes	Distribution of the answers (N=60) *	
	Number	%
Changes in organisational structure	35	58.3
Changes in employment pattern	29	48.3
Technological changes	27	45
Changes in corporate strategy	22	36.7
Changes in management system	17	28.3
Changes in marketing	11	18.3
Changes in company's product offer	9	15
Changes in logistics	8	13.3
Changes in ways of communicating with the market	7	11.7
Changes in business model	6	10
Changes in organisational culture	6	10

*\*The data does not aggregate to 100% because respondents could point 3 answers*

In the opinion of the managerial staff in the enterprises that they represent changes in organisational structure and connected with them changes in employment pattern are the most often made changes. As many as 45% of the respondents have also indicated technological changes. Changes in business model and organisational culture are the areas of the enterprise which are change the least. It is confirmed by big persistence of these elements of the organisation that is documented in the science (O'Donnell, Boyle, 2008). From the viewpoint of change management the character of changes is important. They can be secondary against the changes in organisation's environment or ahead of changes occurring in the environment. They can be steady or sharp. This data is presented in table 2.

*Table 2. The typology of changes in Polish enterprises (own work)*

The area of changes	Distribution of the answers (N=60)	
	Number	%
Changes that have adaptable character (they come from the necessity of conforming to changes in the environment, e.g. changes in legal regulations, changes on the market etc.)	27	45
Changes that are the answer to crisis which the organisation land in	13	21,7
Steady changes coming from the idea of continued perfection of the organisation	11	18.3
Sharp changes forestalling the processes occurring in organisation's environment	0	0
All of the mentioned above to the same extent	9	15

The adaptable changes dominate among changes made in Polish enterprises. Their aim is to adjust to changes occurring in the organisation's environment. Relatively large group of the respondents (over 21%) have declared that changes constitute the answer to crisis which the company has landed in. In case of 18% of the enterprises the managers have indicated the changes coming from the philosophy of organisation's perfection. Any of the representatives of the managerial staff has not indicated the changes that forestall the processes occurring in the environment of their workplace. On the other hand relatively large group of the research participants (15%) assess that it is impossible to choose one type of changes because each of the types to the same extent take place in their enterprise. The managers asked about the external sources of changes have enumerated the changes of regulations by law (41.7%), political changes (36.6%) and economic changes (21.7%). High percentage of the choice of politics as the source of changes probably comes from the fact that the managers from the statutory companies were numerously represented among the respondents. The respondents have assessed to what extent the senior management who is in charge of their enterprise get into change management process. The involvement of the highest management had been assessed for 3.7 with the Likert scale. The assessments had relatively big internal diversity (the variance 1.366, the standard deviation 1.2). On this basis it can be presumed that the managerial staff have very diversified experiences in terms of supporting their efforts by superordinates. 25 % of the respondents have stated very big involvement (rating 5). At the same time as many as 23% of the respondents have found the involvement low (rating 2) or very low (rating 1). Simultaneously the management was indicated as the main prime mover of changes in an enterprise (cf. table 3). It arises from the research that the management, the owners and also the middle management are the prime movers of the changes in the Polish enterprises. The clients are important stakeholder that initiates changes. Almost every third participant of the research indicates them. High proportion of the competitors as the ones whose efforts oblige an enterprise to change is also interesting. Relatively small stake in changes' initiating falls for the employees (11.7% of the answers). On the other hand passivity of the frontline managers is even more disturbing. Only 5 % of the respondents indicate them as the source of change.

*Table 3. Company's stakeholders as changes' prime movers (own work)*

The area of changes	Distribution of the answers (N=60)*	
	Number	%
The management	45	75
The owners	25	41.7
The middle management	18	30
The clients	17	28.3
The competitors	13	21,7
The employees	7	11.7
The recipients	5	8.3
The providers	3	5
The frontline managers	3	5

*\*The data does not aggregate to 100% because respondents could point 3 answers*

The inculcating of change requires a deep conviction of the people who manage this process. This conviction should involve that the process is deliberate, planned and well advised to the people that are involved in this change. Moreover, the incentive to implement the change is closely contingent on the belief that it has positive consequences. The opinions of the managers who took part in the research are showed in table no. 4.

*Table 4. The assessment of readiness level and process of change management (scale 1-5)*

To what extent the following sentence is true?	Mean	Standard deviation	Variance
The change implemented in my organisation is always well deliberate and planned	2.8	1.03	1.063
All groups of the employees involved in change are informed about changes' reasons and due course before	2.9	1.18	1.39
The managerial staff are well – prepared to minimise the reluctance to changes	2.7	1.22	1.494
The managerial staff are well – prepared to manage a change	2.9	1.33	1.778
A change is always the result of the organisation's real needs	3.5	1.18	1.406
The consultation with the employees is always incidental to the changes	3.02	1.06	1.135
A change is provided sources of finances	3.6	1.04	1.097
The evaluation and assessment of change's effects is made after the implementation of the change	2.9	1.24	1.554

The representatives of the managerial staff participating in the research in large part have assessed the process of change management in their enterprises very critically. The guarantee of funding sources of change is the only criterion for the assessment that got the mean above 3.5. The participants of the research have undervalued the change's preparation as well as the preparation of managerial staff to manage the change, including minimising the employees' reluctance to changes.

They have implicitly indicated their own low competencies in change management because as the managerial staff they should care for instance for change's information policy, consultation with the employees or evaluation of changes' effects. Perhaps such situation's reasons reside in shortage of procedures of change management. This shortage was indicated by nearly 75% of research participants. It comes from the research that managers do not feel personal responsibility for negative situations which they have indicated. They have high self-assessment of change management skills. Nearly 50 % of the respondents have assessed it as good and the next 20% as very good. Only about 7% of the respondents have affirmed that their change management skills are low. On the grounds of this it can be carefully deduced that the mechanism defined by psychologists (Randall et al., 1995, p. 1152–1162) as 'illusory superiority' is quite popular among Polish managers. It appears through individual's proclivity to overestimate his or her skills or qualities against other people, in this case to representatives of his or her own occupational group.

## 5. CONCLUSION

The research have revealed numerous fields to perfection the change management process in Polish enterprises. Nearly  $\frac{3}{4}$  of companies participating in the research do not have the procedures of change management. Relatively small stake of developmental changes, changes that bring to perfection or changes that are ahead of crisis situations has been ascertained. The adaptable changes that are the answer to changes occurring in the environment or the risk of crisis are in the ascendant. The fact that the employees of the enterprises and junior managers are rarely the changes' prime movers should be assessed negatively. Such situation can indicate low level of organisational involvement of these groups of the employees or the shortage of positive job climate that conduces to the generation of the changes. It can be indirectly gathered that creativity's potential of these groups of organisation's stakeholders is being wasted. The respondents in large part have assessed the information policy that should accompany the change as low. They have indicated the problem that the evaluation of changes' effects does not exist. They have critically rose to factual knowledge of managerial staff in change management sphere. At the same time they perceive themselves as people whose ability of change management is highly developed. The mechanism of 'illusory superiority' applied by the respondents generates the risk of low motivation to develop your competencies in change management and look for the reasons of failures in this outside, e.g. in other people's behaviours.

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