

ASSURING THE EFFICIENCY OF THE ROMANIAN COMPANIES' ACTIVITY THROUGH CHANGE MANAGEMENT IN THE FRAMEWORK OF JOINING THE EUROPEAN UNION

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Changes, especially those which take place in the social systems, affect people and organizations transforming values, necessities, roles etc. Thus we can offer some examples: the automation and the spread of using computers are two reactions of the technological boom, in the field of communication, press and media, changes have shortened distances and have brought people closer; in the economic field, transnational organizations have appeared whose budgets often exceed those of the developing countries, and goods get old and become obsolete day by day, which stimulates consumerist markets. These examples, which represent only some of the situations that surround us, raise the following question: what happens to management in this world of changes? Does it succeed in keeping up?

The main reaction of the Romanian management is that of professionalizing it. This reaction is based on: the development of a managerial culture; understanding the concept of permanent education, the belief that management is a resource for development, inexhaustible and which increases the uses of the other resources as well.

The need for change

Until 1989, Romanian economy could be characterized as hypercentralized, being subdued to some of the stiffest mechanisms of planning and control among the countries of Central and Eastern Europe. The exacerbation of the role of the unique national plan and the involvement of the government and of its bodies in the activity of the economic agents – in the context in which, paradoxically, the necessity of promoting the principles of work selfmanagement and of self economic and financial administration were encouraged – limited to almost annihilating the economic agents' decisional autonomy and initiative, promoting indolent behaviour, of waiting for orders and tasks sent from above hierarchically.

Marking a sudden break from the old system, the 1989 events represented the starting point of some crucial transformations, capable of assuring the passing from the made to order economy, highly centralized, to a new type of economy, in which the market and its laws have the decisive role in the settlement of the economic activity.

Modifying the regime of property favorable to that of private property, decentralizing the national economy's management, diminishing the state's intromission, the economic agents' autonomy, promoting competition and the settling mechanisms proper to the market economy, based mainly on the law of demand and offer, reorganizing the national production system, liberating the prices and the markets, creating new institutional and legislative infrastructures etc. represent definitive and highly deep processes which define and accompany this change of system.

In this way, there are certified the organizational dynamics, which is felt more in our economy of transition, the decisional and legislative transformations which acknowledge change at all levels; the market that brings essential structural changes, strategies that point out a new balance between demand and offer.

Being under the pressure of the influences of the scientific-technical revolution, of the economic, political and social transformations, the European economy, generally, and the economy of transition especially, feel the need of change, all being or being induced in the area of professional managerial interventions.

Thus we may discuss the issue of priority in solving the disagreements caused by the new transformation:

- Focusing on the priorities of the national economy, the development of economy, the careful measurement at national level between different branches and fields of activity;
- Correlating these priorities and strategies with those already in practice in the European Communion;
- Configuring some strategic alternatives;
- Taking into consideration the mechanism of the international economic relationships outside Europe.

The issue of reasonableness of using resources of our own drawn in the frame of ample development processes requires special attention for the correct measurement of the resources involved in order to determine the most efficient process for acquiring and using them and, mostly, to inject them into preferential points, whose development will have an extended impact both upstream and downstream from the place they are placed.

The present and specially the future achievements of the company depend on the duration and the resources consumed in the process of change.

Changes can be caused or produced from the inside, or can be caused by external factors or with the participation of these (for example, as a consequence of a merging, or of hiring a new manager with a view to promote change, or of another factor of change).

It may seem paradoxically, but, although change is necessary in order to annihilate tensions, it cannot be really successful unless it is understood as a factor of improving the situation and if it starts with however small improvements of the situation which produced it.

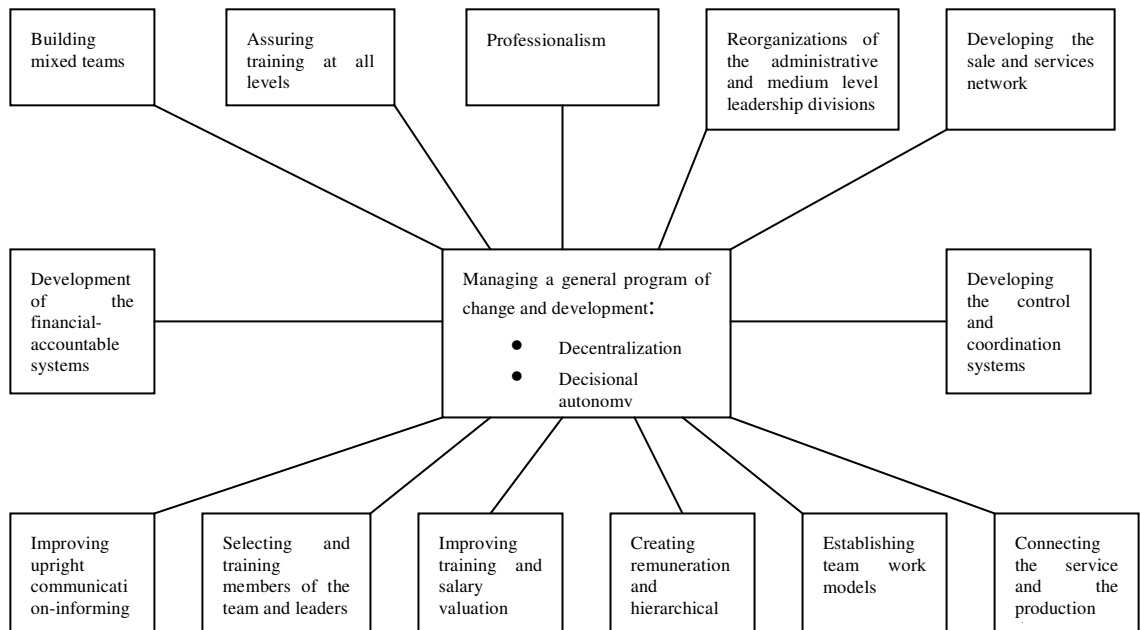
Whatever shape change may take it must produce as little side effects as possible in order to be successful and it is for the best when, even if the achievement is small there are no failures recorded, which, even if small, lead to discouragement and distrust towards the adopted change. "Success makes success" is a well-known saying. If change starts by achievements, even of small dimensions, the avalanche effect is possible.

Change may have a view to the strategy, structure, policies, budget, systems of the company, list of products, clients, suppliers, prices, costs, technologies etc. All these elements condition the company's performance, being conditioned by the company's external and internal environment.

Also a restructure of the view of the managerial activities is necessary as today the manager must be a man of outlook, of culture, a leader and mostly, a man of results. It is useful to underline that in Romania learning to change is more than a necessity. Learning to change supposes:

- a) The clarity of objectives at all levels of organization;
- b) Planning the actions and participation of managers and experts specially in approaching and solving focused problems;
- c) Making the whole personnel responsible to support initiatives;
- d) Assessing managerial performance at each stage of development;
- e) Promoting feed-back connections in order to build every stage of development;
- f) Bringing forward the ideas of the entire personnel;
- g) Supervising balanced with autonomy development;
- h) Understanding that change, specially in management, is a learning process.

In the diagram below I will gather the main elements which define change initiative and the relevant fields for an organizational change:



We should also take into account the situations in which managers are put regarding change processes:

- a) A process of change at the level of an organization always requires a research on the economic and social environment;
- b) Promoting change after having made market research (the necessity to observe the market demand, the market response towards the products, the works or the services offered by that company) and a technological forecast (endowment with the latest technology available on the market and the development prospect).
- c) The characteristics of the period of transition to the market economy;
- d) The normative and legislative reform;
- e) The new economic and financial mechanisms;
- f) The desire to join the European Union;
- g) The involvement of top management in the process of change;
- h) Creating an innovating and creative environment;

and which give an impulse to making the organizations' activity efficient.

The resistance to change – obstacles, dilemmas and contradictions

The adjustment to physical changes and technological innovations is apparently simple; yet, social and methodological changes are hard to face.

In 1995, Rodriguez points out that the resistance to change comes from:

I. the need for security

- people need to feel secure and when change threatens security, they tend to oppose resistance;

II. the probability to affect particular interests

- an organizational reorganization may cause uncertainty regarding its consequences on the activity;

III. the lack of vision and clarity regarding the possible benefits from change

- the employees want to feel secure and to have control over change;

IV. inertia

- generates the preference to maintain the same rhythm opposite to the additional efforts necessary to make the change;

V. the contradictory interpretations of changes, achievements, objectives etc.;

- change will be more successful and will face lesser resistance from the employees if managers talk on time about a plan of change which they will set forth and discuss and explain to the employees, asking as well for opinions and suggestions from their parts;

VI. the lack of resources

- may create difficulties or even make the support of an innovation impossible;

VII. envy and the internal inappropriate attitude

- makes some people and departments of the organization oppose to the innovations suggested by other people and departments.

The resistance to change can manifest itself in any type of organization, especially in those which have developed formal structures, because they are more conservative.

Although the achievement of the company's objectives must be a common cause of all the employees, on the way tensions and even conflicts may appear, due to different attitudes and rhythms of action, or even because of the disagreement regarding the objectives or the way in which one acts in order to accomplish them. Are such tensioned states acceptable or even necessary? Theoretically, yes, because they can lead to better solutions than those seen initially, by examining the objectives and the way to achieve them from different perspectives. However, care must be taken in order not to let the disagreements turn into destructive conflicts for the company, through the serious deterioration of the work environment.

The gradient of change has increased in the present period and it is likely to increase even more in the future, especially as a consequence of globalization and the Internet (electronic commerce, virtual company, etc.), of the mutual bringing forward between the technological progress and consuming, with generally economic effects, within the framework of market division and of the environment in which the functions of the company and of management are practiced.

On the basis of the things mentioned above, also correlated with a succinct analysis of the way in which the process of reorganization was conceived and it develops in Romania, not without a major impact on the strategic management and on the development of economy generally:

- change started off as a spontaneous process being marked by the decrease of the industrial production and by the bankrupt estate or even the abolition of some economic units in a critical economic and financial situation;
- the lack of co-operation and the insufficient gathering of efforts and actions of different bodies and institutions qualified to accomplish reorganization (The Ministry of Reform, FPS, The Reorganization Agency);
- ignoring the connections between branches and smaller branches, as long as there is no general vision shaped on economy and industry in the perspective of the years to come;
- the lack of divisional reorganization strategies elaborated by the ministries and approved by the government;
- the insufficiency of available funds and the lack of programs for professional upheaval;

have had and have consequences on the rhythm of reorganization, on the process of economical growth, change management remaining one of the important objectives of the process of economic reform, and its achievement must be approached with professionalism and accompanied by a pile of levers and specific instruments that should orientate the behavior of the economic agents, to challenge and stimulate them towards the endorsement of some reorganization and using new technology strategies.

Change reliability-obstacles, dilemmas and contradictions

Organizational change is a multitude of alterations – structural and behavioral – which are interdependent and imbedding. Organizational change represents the absorption of a new idea or of a new behavior by an organization. Chiavenato presents four types of changes:

1. changes in the organizational structure – refer to the elaboration of new organizational structures or to changes in the activity structures;
2. changes in technology – refer to new equipment and processes;
3. changes of products and services – refer to the new products, services, clients;
4. changes in the organizational culture – are associated with new attitudes, understandings, expectancies, results.

These types of change must be administrated by the organization if one wants the innovations that are to be applied to be successful.

Another classification of change which should point out the guarantee of change management efficiency:

- a) *Unplanned change* – in this situation, change operates in order to react to some events (e.g. improving equipment);
- b) *Planned change* – known, it has proactive characteristics which can influence the future;
- c) *Enforced change* – it is generally determined by the management's interventions, normative elements or decisions of the super-ordered bodies; it is conditioned by the degree of education, by the level of culture, by the capacity to understand the change process;
- d) *Participative change* – it is generally based on the involvement of the personnel, on the creation of a modern, enabling environment and on the permanent informing of the employees regarding the understanding of the need for change – it is one of the most important methods because, although it implies a slower process, it creates a relative accord regarding the issues of change;
- e) *Negotiated change* – it is materialized in collective, official or unofficial agreements in which the points of view accepted by the parties are sanctioned, unsolved problems being discussed in further negotiations – in this way a good manager can analyse the way in which change has been accomplished until that time and can suggest solutions for better results.

That is why the ideas that constitute pre-requisites of success must be promoted, those that Edward Deming recommended and applied successfully:

1. the consistency regarding the improvement of the product in order to be competitive;
2. adopting a new philosophy;
3. renouncing the quality class control building pre-requisites to increase the quality of the product, seen as client satisfaction;
4. ceasing awarding the management, raising thus the costs, but rewarding first of all those with contributions in production and innovation;
5. the permanent and steady improvement of the system of production and services, the rise of quality and the decrease of costs;
6. training for every job;
7. the real leadership at the level of the executer – the supervisor should constantly help the workers that solicit him;
8. eliminating fear – people should work motivated for the company and for themselves;
9. eliminating the barriers between departments – everybody makes a team;
10. eliminating slogans – they can produce the opposite effect;
11. eliminating limitations in workshops and regarding tasks – replace them by global tasks;
12. eliminating barriers between the types of work and between functions;
13. introducing a compelling educational and self-improvement program for the employees;
14. each person's contribution to achieving change.

These ideas, which applied have proved to be very productive for the companies that adopted them, must be a part of the company's culture.

Assuring the efficiency of the Romanian companies' activity in this context can be summed up to a few basic conditions:

1. Competitive achievement of objectives;
2. Maintaining the internal balance of the organizations;
3. Leading organizations towards success;
4. The adjustment to the dynamics of the external environment accompanied by a behavioral flexibility;

The processes of change usually imply good planning, effort and sacrifice. Those responsible of administrating change must emphasize the desire to share with each and every one of the members of the organization, regardless of their role inside it, the due costs of the initiative. This is an easier way to convince that the potential benefits of change are worth the effort. Well planned changes, once they surpass the initial resistance, enable the improvement of the atmosphere and of the working conditions, with a positive impact not only on the communication systems, but also on the organization's efficiency.

To conclude, we live a fast period in all fields, at macro and micro – economic levels. The reform, reorganization and privatization processes need to be thoroughly analysed and understood; there is the need to develop a managerial way of thinking, supported by managerial professionalism in order to assure the efficient run in the national and international competition.

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