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DOCTORAL THESIS

SUMMARY

THE IMPACT OF CHANGE MANAGEMENT ON THE EFFECTIVENESS OF ORGANIZATIONAL CHANGE

Scientific coordinator:

Prof.univ.dr. Liviu ILIEŞ

Doctoral student:

Maria ȘERBAN (METZ)

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Keywords

Organizational change; change management; organizational change effectiveness; resistance to change; commitment to change.

1. Introduction

Over the last 20 years, many highly experienced practitioners have noted an unprecedented level of organizational change. Companies are changing at a much faster pace than ever before. Successful companies have developed their primary leadership approaches to address the problems they perceive in order to survive in an increasingly 'competitive' world, which explains the growth of change initiatives in terms of frequency, scale and complexity (Jorgensen *et al*, 2014). Major organizational change is challenging, as the stakes involved are generally very high and the time available for implementation is limited. Despite significant efforts, the estimated success rates of major change initiatives within such organizations remain alarmingly low, prompting change management to become increasingly comprehensive, systematic, flexible and adaptive.

No company today is in a very stable environment. Even market leaders must sometimes undergo radical changes. Surviving in an increasingly dynamic and unpredictable environment is a major challenge for businesses, which need to respond quickly to major, hard-to-predict changes by effectively implementing appropriate changes in their strategy to ensure their long-term competitiveness. In many markets, competitors are constantly entering and exiting, i.e. quickly gaining or losing more or less of their market share (Robbins & Judge, 2019).

The modern business environment demands quick responses, better quality services and increased flexibility, which means improving processes, designing better organizational structures and cultivating corporate cultures able to meet the diverse and growing needs of both customers and other relevant internal and external stakeholders. Continuous process improvement and performance measurement are essential to achieve organizational goals (Boutros & Purdie, 2015).

A common factor influencing results and survival across different organizations is organizational change, the pace and extent of which differs from one company to another and

over time. While accepting change is considered a natural behaviour, the pace of change requires managers and employees alike to acquire the skills to manage it as effectively and efficiently as possible and to be involved in its implementation. This involvement is essential for organizations to successfully cope with increasing competition and business instability.

Today, more than ever, companies of all sizes and sectors of the economy are driven to innovate. In such a context, leaders prioritize innovation and the implementation of organizational change. They also seek to strengthen their organizational culture in order to appropriately and effectively integrate the organization's core values into the change implementation programs, thus facilitating the achievement of organizational goals.

An appropriate organizational change program is designed to help practitioners, employers and experts effectively implement good change management practices within their organization. An important objective of this paper is to identify the most appropriate and effective ways of approaching and managing change, drawing on various models and analyses used by recognized experts in the field. These experts have demonstrated their ability to provide solutions for identifying and implementing successful change management practices in business organizations.

2. Research Methodology

The study focuses on the specifics of planned change at the organizational level, taking into account the fact that the effective application of change management practices is a continuous challenge for leaders and employees of the company. The empirical study focuses on: the impact of change management effectiveness on the initiation, preparation, implementation and institutionalization of change within an organization; change leadership; involvement and commitment of company members in the change process.

The research theme centres on the content and practices of change management during the organizational change process, with a case study on the MM company operating in the Romanian IT sector. The goal is to develop an analytical model, based on scientific substantiation, that defines and examines the factors driving the need for planned organizational change. This model also assesses the objectives and efforts of change, the practices of effective change management and their impact on the success of organizational change.

The research builds on theoretical issues related to organizational change: the concept of organizational change and change management; the factors driving organizational change; the concept of resistance to change; the process of effective change implementation. The conceptual approach also explains these concepts and issues related to the change process, with a focus on policies, practices and procedures. This is based on the analysis of relevant studies published by recognized authors (Kotter, 1996; 2007; Robbins & Judge, 2019; Kinicki & Williaams, 2020; Burnes, 1996; Herscovitch & Meyer, 2002; Lee & Krayer, 2003).

The main contribution of this research paper (empirical study) is the analysis of the factors and practices of change management that determine the success of organizational change implementation. It also examines specific change management practices associated with human resource management, the methods, techniques and tools used for change, and the outcomes of these changes. These topics are often studied independently or in association with other topics by various researchers in the literature.

The empirical study sought to highlight the critical role of company members and how they can contribute to the initiation, preparation and effective implementation of organizational change. Rather than conducting a critical analysis of the company's policies, practices and procedures for implementing change effectively, the study focused on analysing trends, both nationally and internationally, to determine if MM, as a company, has appropriate solutions and the necessary capacity to apply good change management practices effectively and efficiently.

From a business perspective, insights were gathered by examining appropriate organizational change management strategies, policies, and practices that enabled effective change implementation. The study also explored how employees perceive their roles and professions and the company.

The research mainly focused on the organizational change process within the company, from both an internal and external perspective, based on appropriate and effective change management practices. It also aimed to determine the impact that various factors driving the need for organizational change had on the effectiveness of change implemented within the company. The investigated factors included strategic orientations, organizational structure for change, change leadership, the involvement and commitment of company members, the barriers to and benefits of change, and practices to reduce resistance to change.

The primary aim of the empirical study undertaken at MM company was to measure how the company's members perceived the need for and implementation of organizational change as well as the effectiveness of change management practices and processes. These perceptions significantly impact the success of change implementation. The study undertaken is based on an analysis model comprising objectives, hypotheses and practices, and provides data and information for assessing the statistical relationships between variables. This model is aligned with the requirements of econometric models provided by the STATA 18 statistical processor.

The research considered multiple perspectives: external, internal, innovative and open systems. The aim of the research was not to provide a 'practical' guide for ensuring effective change management, but rather to enable company members involved in the organizational change processes to make informed judgments about the applicability, usefulness of approaches and potential benefits of implementing change. It also considered the unique characteristics and operational methods of the company in an increasingly competitive and dynamic environment.

Given the economic context and the organizational particularities of the company under analysis, along with the need for rapid implementation of organizational change over the past three years, the general objective of the research was to develop an appropriate model for analysing the implementation of organizational change. This model, relevant to organizational realities and based on solid scientific foundations, is specific to organizational change in IT companies. It aims to provide both managers and other employees with adequate methodological support, based on good change management practices, which will determine their impact on the effectiveness and success of organizational change.

The study is based on empirical research, using questionnaire as the primary instrument, and supplemented by semi-structured interviews. The questionnaire model serves for both descriptive research (attitudes, opinions, organizational practices) and explanatory research (e.g., cause-and-effect relationships).

By using a quantitative and qualitative research methodology, the research questions focus on seeking a deeper understanding of the complex issues surrounding organizational change and change management from the perspective of company members, managers and non-managerial employees.

3. Organizational Change within the Company

Organizational change plays a crucial role in ensuring the good functioning of the company studied and in achieving both general and specific objectives, with a particular focus on organizational performance and effectiveness to maintain a competitive advantage. In this context, the study aims to help better understand the necessity for and implementation of organizational change and the influence effective change management practices have on the success of such change within the company.

To remain competitive in today's ever-changing and evolving economy, company leaders must embrace change. Even with established business management methods and techniques, organizational change requires not only practical and behavioural implementation, but also a shift in the mindset of its members.

The company focuses on effective human resource management to anticipate and navigate the difficulties associated with implementing organizational change. This requires the commitment of company members to change through the effective application of good organizational change management practices.

The changes brought about by the new decade compel the company to adapt to a dynamic model where the initiation, preparation and implementation of organizational change becomes the 'new normal'. In such a context, company members need to be adequately prepared. The company's leadership plays a major role in promoting a sustainable business model by effectively addressing and overcoming the challenges inherent to business transformation and corporate culture. To this end, the company has developed its own strategy to ensure the successful implementation of organizational change management. Thus, to ensure the success of organizational change, the company's leadership supports:

- The definition of change management methods, techniques and practices based on vision, business strategy and corporate culture.
- The alignment of the organizational change strategy with the company's goals and culture.
- The development of skills needed to implement organizational change and the identification of any problems and barriers to achieving the company's objectives.
- The provision of the most appropriate methods, techniques and tools for ensuring the effectiveness of the organizational change process and its successful implementation.

- Support for leaders and other staff in the effective implementation of change management practices;
- The implementation of programs to monitor and measure progress in the successful implementation of organizational change and to ensure continuous improvement.
- The implementation of a comprehensive program to manage the effective planning, preparation and implementation of organizational change initiatives.

To ensure the success of organizational change, the company's leadership effectively manages human resources in the change implementation process and supports the identification of the main barriers that may arise in the change process, potentially causing a certain level of resistance to change.

The company also focuses on the importance of leadership and communication as fundamental components of effective change management. To this end, sponsorship and preparation for future change are ensured throughout the company, so that the necessary beliefs and behaviours are well integrated, enabling individual employees and teams to prepare for the upcoming changes.

The company's leadership ensures that all levels of the organization are aligned with the business strategy and facilitates collaboration between organizational sub-units. This includes assessing the impact of communication and involving leaders and other employees in the change process to ensure the acceptance and adoption of a new mindset and appropriate behaviours essential for the success of the organizational changes to be initiated and implemented.

From the perspective of the participants and those directly involved in the change implementation process, and taking into account the understanding of the key aspects of organizational change through a systematic and effective approach, the analysis focuses on a construct comprising seven aggregated variables pertaining to the main characteristics involved in substantiating the need for, initiating, planning, preparing, implementing and institutionalizing organizational change. These variables are as follows:

- Necessity and legitimacy of change (*Ncst.lgtm.sch*).
- Planning organizational change (*Planif.sch*).
- Effectiveness of preparing for organizational change (*Ef.preg.sch*).
- Effectiveness of organizational change implementation (*Ef.impl.sch*).

- Effectiveness of organizational change initiatives (*Ef.init.sch*).
- Effectiveness of institutionalizing organizational change (*Ef.instit.sch*).
- Barriers to and difficulties in implementing change (*Br.sch*) (Annex 3).

In order to analyse the effectiveness of organizational change management practices and determine their impact on the effectiveness of organizational change, in the company under study, we used an analysis model based on a construct that includes the following aggregate variables:

- Effectiveness of change leadership (*Ef.ld.sch*).
- Effectiveness of change management (Ef.mg.sch).
- Effectiveness of change management structures (*Ef.str.org.sch*).
- Effectiveness of agents of change (*Ef.agent.sch*).
- Effectiveness of leadership involvement in change (*Ef.impl.ld.sch*).
- Effectiveness of employee involvement in change (*Ef.impl.ang.sch*).
- Commitment to change (*Agj.sch*) with its components: affective commitment (*Agj.af.sch*), commitment to continuity (*Agj.cont.sch*), normative commitment (*Agj.nrm.sch*).
- Benefits of organizational change (*Benef.sch*).
- Effectiveness of practices to reduce resistance to change (*Ef.rd.rez.sch*).
- Effectiveness of organizational change (*Ef.sch.org*) (Annex 3).

4. Conclusions and Recommendations

In the wake of the Covid-19 pandemic of 2020, the company under study has completely rethought its change management strategies, policies and practices. The traditional change management process has proven ineffective in today's increasingly dynamic and uncertain environment, requiring more effective change management approaches for large and complex organizational changes.

Over the past three years, the company has experienced several business disruptions as it had to face urgent demands for change, prompting numerous change initiatives, the adoption of which sometimes took time, with stakes that were higher than ever. The diverse and numerous organizational changes implemented concerned structure, staff, procedures, leadership,

organizational culture, etc. Those changes were implemented successfully, generating benefits and streamlined work processes and contributing to employee development. According to 70.59% of the interviewed respondents, the changes were positive overall and steered the company in a good direction.

Given these circumstances, the empirical study aimed to determine the impact of change management practices on the effectiveness of planned organizational change, i.e. to identify the factors and best practices for initiating, planning, preparing for and implementing organizational change, based on scientific research.

The company's organizational change programs are designed to help leaders and employees appropriately and effectively apply change management practices. Using appropriate models, techniques and tools for realistic planning and preparation, the company's leaders, together with other employees, have facilitated the effective management of the organizational change strategy implementation process, enabling them to address all its dimensions and complexities.

The company's change strategy is rooted in its mission, vision and values, aiming to meet the requirements of the relevant stakeholders and to generate the desired business outcomes for both the company and its members.

In order to ensure a high level of participation and transparency in the change process, which the collaborative leadership model adopted by the company provides, the company promotes clear and effective measures to ensure the success of the management system, particularly in change management. The involvement of the company's leadership team and middle management, who have clear roles to play in this regard, is crucial for aligning strategic change objectives right from the top level of the hierarchy and for ensuring that these objectives are understood by all members of the organization. At the same time, company members who support the change display attitudes and behaviours that meet the needs of organizational change. Among the measures aimed at ensuring the success of organizational change, promoted by the company's leadership together with the other relevant organizational structures involved in change, the most significant include:

- developing a managerial profile for key areas within the organization, with a significant focus on change management;

- identifying potential professional development needs, prioritizing the development of skills and competencies needed for change, which should be a priority for the company;
- implementing specific programs (management, communication, personal skills, organizational culture) for the managerial development of those involved in the organizational change process in order to provide them with the organizational skills necessary for the successful implementation of the change management strategy and practices;
- creating an organizational environment that promotes appropriate and effective policies and practices to support the implementation of the change strategy;
- defining a compelling vision for the future and communicating transparently with employees;
- ensuring constructive feedback and communication from the company's leadership;
- aligning organizational change strategies with risk management;
- strengthening the company's corporate culture to support change.

The results of the empirical study highlight the company's ability to effectively apply change management principles and practices, thus ensuring the successful implementation of organizational change and providing company members with a more comprehensive understanding of change management models. This understanding facilitates the effective selection and implementation of organizational changes that take into account their specific, sometimes unique, change needs and promotes the commitment of as many members as possible.

From a systemic perspective, the company studied demonstrates a positive resilience level, enabling it to absorb all planned changes without creating a significant risk of overstretching the areas affected by change. According to the interviewed respondents, organizational resilience plays an important role in overcoming resistance to change under difficult and crisis conditions. Specifically, 76.47% of respondents positively assessed the company's ability to quickly adapt to unfavourable situations or changes, while 70.59% of respondents believed that organizational changes within the company (structure, staff, procedures, leadership) brought benefits, facilitated work, were implemented effectively and contributed to employee development.

5. Personal Contributions

The main theoretical contributions include:

- Analysing the concepts of change management, change effectiveness and resistance to change, emphasizing the practical connections between them.
- Addressing the challenges the company faces in balancing the need for stability with the need for change within the company.
- Proposing a set of criteria for assessing change management, organizational change effectiveness and practices to reduce resistance to change.
- Developing practical criteria for promoting the principles of collaborative leadership, also applicable to change management.
- Selecting research methods, techniques and tools that fit the specific and sometimes unique organizational realities of the company under study.
- Developing a model for determining and assessing the impact of change management on the effectiveness of organizational change.
- Developing a model for assessing the effectiveness of initiating, preparing for and implementing organizational change in the company studied.

The main practical contributions involve conducting an empirical study on the implementation of the proposed model within the company, which represents the IT sector, by:

- Designing an analysis model based on a construct comprising primary and aggregate variables, representative of the different research objectives.
- Identifying the most relevant items for measuring the key aspects of each construct in the aggregate variables used in the adopted analysis model.
- Assessing the impact that the effectiveness of change initiation, planning, preparation and implementation has on the effectiveness of organizational change.
- Assessing the impact of leaders' and employees' commitment to change on the effectiveness of organizational change.
- Assessing the impact of commitment to change and determining its influence on the effectiveness of organizational change.

- Assessing the impact that the effectiveness of change management practices and organizational structure has on the effectiveness of change leadership.

- Assessing the impact of change leadership and change agent effectiveness on organizational change effectiveness.

- Assessing the impact that the effectiveness of change leadership and change management practices has on the effectiveness of organizational change.

Finally, it is worth noting that the empirical study was conducted using information provided by a representative sample of company members, including managers and non-managerial employees from all levels of the organization. This sample represented all relevant internal stakeholders. The assessment of the questionnaire items was based on the perceptions the respondents had of change management practices, which are more accurate and meaningful when aggregated at the sample/group level. The research ensured the confidentiality of all questionnaire and interview respondents.

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