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ORGANIZATIONAL CHANGE MANAGEMENT. A CULTURAL APPROACH

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Abstract: *Although it remains structured on the same fundamental coordinates, management must meet current deep changes taking place in recent years in the context of globalisation. The transition to knowledge-based economy, shaping a future united Europe and the emergence of the concept of euromanager which is becoming better known require major changes in the defining features of the organisational culture. The remodeling plan of the organisational culture is associated with changes in management systems and the need for its professionalisation. The multiple interdependencies between organisational culture and modern management approaches appear as a natural consequence of the need to design and operationalize organisational changes. Understanding and manipulating organizational culture to improve performance is of particular interest in the light of the modernization programme within the public sector. Bibliographic sources of information from the national and international literature on organizational culture provided a picture of cultural management issues in relation to explain dynamics that can be used to manipulate culture to accentuate change. A good practice example of managing organizational culture in terms of implementing change and flexibility is seen in the Department for Sports of the Municipality of Bucharest. A briefly description of the interaction between organizational culture and the agenda for change in the example given develops conclusions and recommendations, in particular identifying appropriate responses that need to be developed in order to create an awareness of organizational culture to further shape the modernization agenda in the public sector.*

Keywords: *management, organizational culture, change, performance, euromanagement, public sector.*

1. INTRODUCTIONⁱ

Flagship initiatives of the Europe 2020 strategy advertises a continuing vocational training of local management, implying the priority action at all levels: national, both political and economic, of the public

administration, businesses, training and consulting organizations.

The current dynamic of the processes of change in organizations requires to the organizational culture to encourage the formation and maintenance of a high organizational capacity, able to achieve rapid react

ons, flexible and grounded to the opportunities but also to the threats from both externally and internally.

In the specific context of the Romanian economy in transition, organizational culture extends its significance and importance, due to its impact on economic and organizational transformations. From this point of view, organizational culture is as important as the effective design of concrete economic changes, that is actually the "soft" to change. A good management at the organizational level involves defining, structuring, the operation and implementation of certain strategies of change and organizational development.

2. ORGANIZATIONAL CHANGE

Generated by the development of the organization or imposed by the need to make corrections in its evolution, organizational change is a reality which implies a proactive or reactive management depending on the requirements of the situation (Petrescu, Stegăroiu, Năbărjoiu, Duică, Popa, 2010: 77-79). This process is continuous, its intensity being influenced by a multitude of factors including organizational culture which plays a pivotal role. As a strategic tool, organizational culture is an indispensable component of an effective and efficient management (Mereuță-coordinator, Pop, Vlaicu, Pop, 1998:117).

The reciprocal relationship between organizational culture and management takes place naturally as the organizations have memories and individuals are strongly motivated to accept the precedent.

Managerial methods for changing organizational culture require staff training in the spirit of culture. For this purpose it is necessary to ensure a real motivation of the employees through the use of selection criteria, promotion and dismissals that reflects values much appreciated (for example the promotion of those who are inventive, creative, loyal to the organization etc.). The use of rituals and ceremonies that reinforce the feeling of

belonging to the organization also has an important role in guiding management system by employees to overcome latent elements of the ancient culture (Ionescu, Toma, 2001:254).

Organizational culture is a diagnostic tool and change. Thus, the slow change-oriented cultures, jointed with faith in the ability of their modeling, will succeed in comparison to self satisfied organizations (Ionescu, 1997:135).

The need for the views convergence of the members of an organization has determined that the analysis of the organizational culture can measure the existence of consensus within it. Etzion believes that there are several aspects of obtaining consensus, as shown in the following table (Zghal, 2003:29):

Table 1
Different spheres of consensus in organizations

Consensus	Requirements
General values	social and community values
Organization goals	objectives by which the organization directs its efforts
Means	policies, tactics and tools
Participation	constraints, individual or volunteer commitment
Performance	perception of the relationship between payment and contribution
Cognitive perspectives	an agreement on facts, based on the language, on the reference framework and on the rules that underlie the understanding of reality and facts

A good management system with a crystallized high functionality facilitates the formation of a strong and competitive organizational culture. A vision forward, referencing to the approach of the issues linked to major organizational change operation and modeling of organizational culture involved, implies the existence of a professional management (Nicolescu, Verboncu, 2006:305).



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Paying more attention to the possibilities and constraints associated with the organizational culture is a necessary procedure in the process of organizational change. Thus, it can be asserted that the interpretation of organizational culture is an integral part of the management process itself.

Whereas there is no single model to achieve change, managers can achieve to manage it through „*a large variety of ways ranging from an extreme to another, from the pure and simple coercion to the more subtle seduction and the introduction of new technical instruments*” (Schein, 1991:195).

Strategic leadership needs to lead the reforms necessary to change the organizational behavior and practice to create the premises for future organizational changes. These things require that at the head of the organization to be a leader with great skills, having a great experience to solve complex multi-disciplinary problems and to design links and interactions between policymaking and their implementation. At the same time, it is important to confirm that there is a need for a structured balance between the field of experience and the development of specialized skills within the group of management (Schmidtchen et al., 2010:XXI).

3. MODELING OF ORGANIZATIONAL CULTURE

Representing a true „*way of life*” for the members of an organization, organizational culture ensures a social continuity by involving beliefs, shared values and assumptions that exist in an organization (Johns, 1998:277, 278). These elements determine the rules and

the behavior patterns that are born of these rules.

An important aspect is that related to the way in which managers can shape or influence culture. The inability of the organizational culture to evolve in accordance with changes due to the new organizational management approaches can have multiple negative consequences for human and economic (Nicolescu-coordinator, 2004:357).

Organizational culture is an important lever in modeling practices in order to improve organizational performance indicators. The desire to get a significant organizational performance involves a strong, participatory organizational culture, paying attention to values and employee beliefs, giving remarkable benefits for the appropriation of the methods for its changing.

Switching to strong organizational culture positively affects the functionality, efficiency and effectiveness of the organizations and their management, thus facilitating the crossing of the period marked by the crisis. Addressed in close connection with the managerial component that interacts with, *reshaping organizational culture which involves its rethinking and rebuilding* amplifies the position of determining the strategy of change in general and the condition of obtaining managerial performance.

Among the recent recommendations for Romania to ensure by strategy organizational culture targeting in close correlation with a performance management may be mentioned:

“keeping people and innovative ideas within the company, developing a culture focused on trust, the opening to the communications and performing firm actions, identification of alternative major factors of success to exercise

leadership and to learn how to lead change to corporate level" (Nicolescu, Verboncu, Profiroiu, 2011:107).

The necessity of implementing a professional management at the country level arise from the superimposition of the three particularly complex transitions: *the transition from command economy to a market economy*, which has not yet ended, *the total constructive and functional integration in the European Single Market* and *the transition from the current economy, existing in Romania to the knowledge-based economy*, which is the economy of the future.

The essential characteristics of the managers rely on knowledge, known in the last decade as "T" managers (Nicolescu, Verboncu, Profiroiu, 2011:169) are shown below:

Table 2

The essential characteristics of "T" managers

Major components of the activity	Significance
The horizontal component (the top of the "T")	carried out voluntarily, without constraints, on the basis of willingness to discuss and analyze problems with other managers and specialists
The vertical component ("T-stem")	hierarchical reports carried out in both directions

Typically, the vertical component is prominent throughout the time budget of the "T" manager but, as the organization moves forward toward the stage of knowledge-based firm, the trend of decrease of its share is becoming more evident. In the context of a professional management, with the initiation of integrating actions that have led to the creation of the European Single Market and to continue the process of

enlargement of the European Union, the concept of *euromanagement* has been noted.

Whereas the vast cultural diversity does not allow the EU to apply a certain prototype of management, the possible application of a *diversity management* will provide an european identity for euromanagers and for the exercise of managerial functions in the context of a future United Europe.

Cultural diversity, economic, political and social, the design, development and implementation of strategies at the level of companies that exceed the boundaries of a country, the creation of an european company identity, based on specific economic and social values, the mobility of human resources are some of the characteristics of the euromanagement as a diversity management (Petrescu, Stegăroiu, Năbărjoiu, Duică, Popa, 2010:50).

4. THE CASE OF THE DEPARTMENT FOR SPORTS OF THE MUNICIPALITY OF BUCHAREST (DSMB)

Organizations which have reached maturity or decline stage, characterized by immobility or excessive internal stability which prevents innovation, must modify some parts of the culture to have a good vision (Schein, 1991:195).

A good example of practice of an organizational culture management in terms of implementing change and flexibility is seen in the DSMB. Because the ministries, national agencies and authorities coordinating hierarchically DSMB since december 1989 sometimes attached activities for the youth field, the subject of this example is the 2006-2009 period.

DSMB is a decentralized public service of the National Agency for Sports (for the mentioned period) with legal personality and which provides the implementation of the Government's general strategy for sports in Bucharest by the two priority programmes: "*The Promotion of Sport Performance*" (P1)



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and “*The Promotion of Sport for All*” (P2). The institution is financed from the state budget and from own revenues, having as main attribute to support sports activities in the territory according to the Law no. 69/2000 of Physical Education and Sports. DSMB also cooperates with the local authorities of public administration to organize and promote sports activities.

The main problem that stands in front of the management system in DSMB organization refers to the efficiency of the institution activity in terms of budgetary allocations increasingly smaller. This means to find the opportunities of improving DSMB performance indicators in the new created conditions. Therefore, the budgetary constraints and the increase in expectations for public services as well as the number of employees declining, mainly due to inadequate salaries, led the manager to transform his style of leadership.

Manager's influence on organizational culture and thus on the organizational effectiveness of DSMB involved the completion of several stages to change culture. As a positioning in managerial grid styles (caused by organizational internal and external factors and by manager's personality), the modeling of DSMB organizational culture resulted in *displacement of the focus on power and role to focus on tasks and personnel*.

Kilmann, an expert in organizational culture, argued that to change it requires five major steps (Ionescu, 1997:136,137), described below to DSMB:

Steps	SDB managerial actions
Revealing the real norms (expected behavior in organization)	disclosed in the meetings of the organization, given the negative impact on the effectiveness of the organizational culture
Articulation of new directions	discussions with members of the organization to develop the organization's current direction and organizational behavior needed to obtain success
Establishing new rules	together with members of the organization preparing the list of new rules that will have a positive impact on organizational effectiveness
Identifying cultural faults	areas where there is a cultural gap between real rules and those that will positively affect organizational effectiveness
Reduction of cultural differences	consensus on new rules and tools design of their strengthening

A comparative method of the research data applied to the institutional performance indicators obtained for four consecutive years (2006-2009) has shown that managerial acts to achieve DSMB objectives represent a first step to performance in the history of this organization. The analysis regarding the

Table 3
The stages of change in organizational culture

improvement of performance indicators proved that during the years 2007 and 2008, thanks to the unique period of stability at the management level, management tools could be used to influence organizational culture in order to obtain the best performances over both previous and next years.

Recovery rate of the budgetary financing (efficiency financing) for each of the four years (η_F) is the percentage ratio between the aggregate performance indicators (API) and the amount (A) related to financing (in thousands of Ron), according to the formula:

$$\eta_F (\%) = \text{API}/\text{A} \times 100 \quad (1)$$

As an eloquent example of the results of DSMB performance management, in the table below are shown the values of the aggregate performance indicators, of the budgetary financing and recovery rate during 2006-2009 (Odagiu, 2011):

Table 4
Some results for DSMB, 2006-2009

Year	2006	2007	2008	2009
API	100,04	123,16	161,52	124,89
A(thousands of Ron)	162	141	140	203
η_F (%)	61,75	87,35	115,37	61,52

5. CONCLUSIONS

The importance of understanding, harnessing, managing and maintaining an appropriate culture in public sector organizations cannot be underestimated in terms of its impact on the process of change.

Leadership plays an important role in effectively managing and developing culture in organizations. Kotter's argument since 1996 that the key to a successful organization is "leadership, leadership and still more leadership" (Brillantes Jr., Fernandez, 2011:69) has constantly validity.

To make an adjustment to the restrictive conditions, the manager focused on four stakes

to obtain performance (Jacob, Rondeau, Normandin, 2008:112), as shown in the table below in the case of DSMB:

Table 5
Strategic change: four types of critical issues

Behavioral type	Ability	Action, meaning
Rational	capacity to improve	to edify a more performant system
Political	capacity to collaborate	to co-opt various partners
Human	capacity to contribute	to mobilize the people involved
Symbolic	capacity to identify himself	to make a sense of changes

This article contributes to the awareness and understanding of culture management in public sector organizations where the challenge is to develop this understanding into practical measures to further bolster modernization and deliver the "performance culture where indicators inform policy choices, budgetary allocations and the day to day management of operations" (O'Donnell, Boyle, 2008:73).

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