# SURVEY REGARDING RESISTANCE TO CHANGE IN ROMANIAN INNOVATIVE SMEs FROM IT SECTOR[1]

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**Abstract:**

*Unfortunately, few changes predominantly generate positive effects involving major effort and costs are often not far short of expectations. Why efforts to implement the changes result in failure or do not match the expected results? We will try to formulate a response based on achieving an investigation on a sample of 819 SMEs innovative IT Romanian order: (i) identify the types of resistance to change prevailing in the analyzed companies; (ii) identify change management tools used to reduce resistance to change; (iii) proliferation substantiate future directions of change management in Romanian.*

**Key words:** change management, innovative SMEs, resistance to change

## 1. Introduction

Resistance to change issue is based on a set of logical reasons arising from the third law of Newton's dynamics that every movement always meets resistance forces. To overcome resistance to change we must answer at least two questions:

• what are the causes of resistance to change?

and

• how to work on these causes to eliminate or substantially reduce?

Before we attempt to answer these questions, we consider useful to present the opinion of Rick Maurer, author of "Beyound The Wall Of Resistance". According to it, the base resistance are two sets of elements that represent two distinct levels:

• Level 1- such information-logical, visible, relatively easier to see and countered;

• Level 2- personal and emotional, that often people do not flaunt it, to be discovered, evaluated and addressed specific means.

This postulate is reflected by P. Senge showing the life cycle of change through a curve that unrealized potential for growth and development due to resistance to change manifested in various forms:

American researcher I. Ansoff [1] notes that resistance to change is "a multiaspectual phenomenon generating unexpected obstacles in the process of organizational change and instability thus introducing unexpected efforts in the process. At the same time, is an expression of irrational behavior of organization members who refuse to recognize the new dimensions of reality and ignore the logical arguments. "
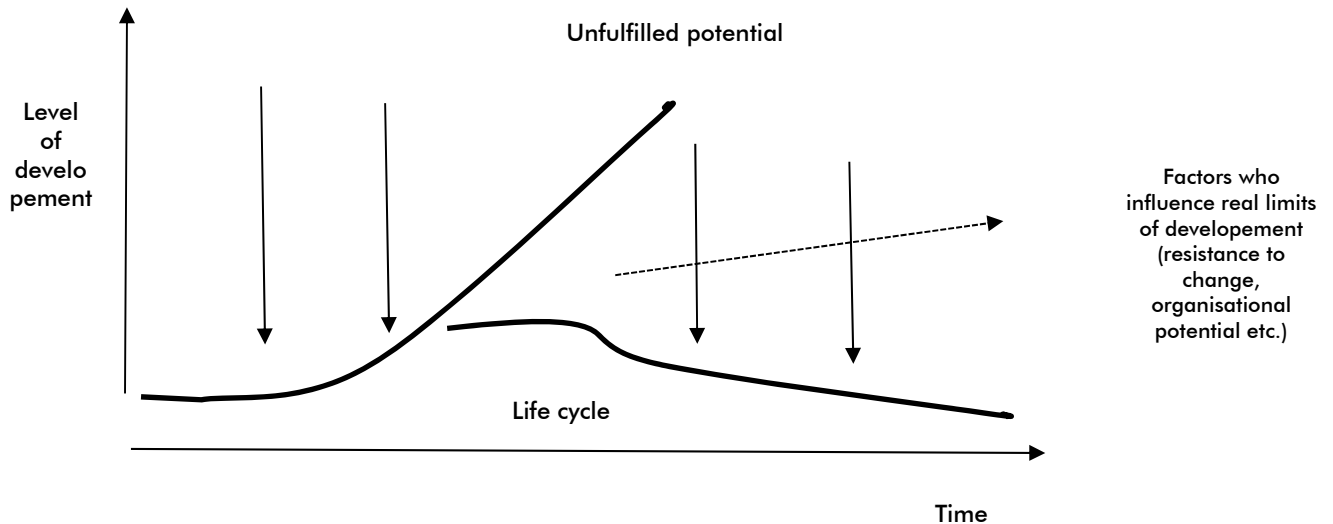
**Figure 1.** Diagram of life cycle for processes of change [17]

Based on the statements, we can consider that (Ceptureanu, 2012):

- resistance organization is a permanent phenomenon generated by the tendency of a system to maintain a relatively stable equilibrium inside and organizational change is perceived as a destabilizing phenomenon;
- resistance to change should not be seen solely as a negative reaction because, given the appearance of objectivity creates the prerequisites necessary to test the viability of new ideas;
- although resistance to change is objective and has a legitimate source is subjective element of the system (organization) - the man who has a major importance in the development activity, fulfilling both the role of "organizer" (by behavior, initiative, incentives) and the "destabilizing". given that the source of opposition to change a form subjective element of the system, as the source of this phenomenon objectively analyzing subjective reasons such as: fear of the new and inertia are presented in several forms. why people are hostile to something new are very different and are limited to the following associations: property damage, loss of current status, new responsibilities, limitation of rights, liquidation function, increase the volume and complexity of work, loss of moral advantages (status, authority, power), replacing old methods of work, formal and informal relationships, feelings of incompetence for new tasks, functions.

This particular form of organizational behavior - resistance can occur in two forms:

- Active: when the manager hears, sees, understands why a negative feedback and take steps to change it;
- Passive (hidden / masked) when nobody open disagreement, but no changes are not implemented (no resistance or "deformation").

Even transformations routine daily occurring in the coordination of any business, such as launching new products, forming interactions or new systems are often accompanied by tension, disagreement, stress - in other words by resistance . If this is the case of reduced scale transformations, we can imagine how hard it is to achieve major changes involving

changes in formal and informal structures, such as: restructuring the organization, merger, managerial reengineering, culture change etc [16].

An analytical research conducteb by Ovidiu Nicolescu [13] identify the most frequent sources of resistance to change, which refers both to those directly involved in changing and changing context. In Figure 2 we present the main sources of resistance to change:



**Figure 2.** The main sources of resistance to change by employees

Without specifically insist further explained briefly what is each potential source of resistance to change:

- **personal convenience** is a factor that is found in a certain proportion to each person. At the level of each of us is manifested with a certain intensity tend to save available forces, not always use them to make something new, mulţumindune with

what we have, with the current situation, even if not the best or favorable for us. The expression of this situation is devoted to "anything goes".

- **individual habits**. Over time, each person has formed certain habits, resulting from the specific personality and background conditions involved. There is a tendency not to give up our habits and organizational changes that are involved always affects some of our habits.

- **the fear of the unknown**. No matter how strong a person psychologically, how much confidence in itself and in those around him, changing and its promoters, always appears a sense of anxiety and fear. The stronger it is, the resistance to change is more intense.

- **own economic interests**. Sometimes expected changes may cause a decrease in meeting our economic interests in the organization - salary, bonus, bonuses, access to machinery spaces protocol etc. Such situations are strong motivations for the persons concerned to oppose, to "resist" change.

- **lack of confidence in change and / or those who promote it**. Whenever a person involved in the change process does not trust those who promote or does not believe in its success, it will manifest itself, consciously or unconsciously, a certain resistance. To prepare people for change and promoting its prestige and possessing the ability to exchange helps eliminate the inhibitor of change.

- **the risks involved in change**. When a person certain risks associated with the expected change in personal, group or organization, even if its promoters trusts and the end result, he will show some restraint or opposition to engage in change.

- **loss of power and / or reducing personal prestige**. Such motivation to resist the change applies particularly to managers and specialists, people in formal or informal power and prestige are intrinsic components of their work. Naturally, when I see that the change envisaged will diminish their power and prestige, they will be tempted to block this change.

- **incompetence**. Organizational change always causes changes in different proportions in employee tasks and how to do. In situations where employees do not have the knowledge to achieve them, it is likely that these changes seek to avoid or to reduce as much.

- **disrputions on networking system** Disruption of the person within the organization. Each employee is integrated in a micro office in the organization, being in some work and personal relationships with other people. When the employee is satisfied with it, and the change will affect the relational context and position within it, it will tend not to get involved and do not favor this change.

- **different perceptions of change**. Presentation by the managers of change that will achieve is not always perceived in the manner intended by them. The employees who develop different perceptions of the objectives, content, implications and effects of change, is likely not generate the same motivation for change sometimes occur even motivations antischimbare generating passivity or even resistance to their implementation.

- **conservative personality**. A proportion of the population in any country, is characterized by native tendencies to avoid new, the lock, excessive cantonându the past and present. The ability to take risks, tolerance for ambiguity inherent in innovation, resistance to stress are reduced. Employees who fall into this category -

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and they are not few - will always tend to block change, or at least not to get involved in their operationalization. They must apply special treatment, especially for strategic change, large-scale.

- **inadeqacy of change forces**. As noted, in any organization there are forces that resist change generated by previous factors. Countering their organizational level is done by generating forces that promote and encourage change, higher premiums. If not done this superiority, perceived by employees and other stakeholders, their resistance to change will be more intense.
- **lack of leadership**. Multiple internal sources, intrinsic resistance to change, you have listed, can be removed and / or substantially diminished when those people show their impact on a strong leader influential promoter of innovations consistently. Whenever there is such a leader, employees will manifest insufficient responsiveness, passivity and even resistance to expected changes. The leader is a driving force for successful change.
- **organisational culture**. Although it is an external factor in relation to persons involved in changing organizational culture strongly influences their attitude towards change. Companies that possess organizational culture focused on innovation, effort, team spirit, obtaining performance from employees will induce a favorable attitude change, thus diminishing the explicit and implicit resistance to change.

Naturally, this factors are not exhaustive, but only a selection of the most intense and frequent, occurring in firms in general, including those in Romania (Ceptureanu, 2010).Resistance to change is a natural psychological reaction caused by the action of any of the factors listed above. People always need a certain level of stability and safety, and the change involves a new situation of uncertainty that causes a feeling of uncertainty and therefore it is likely that employees feel vulnerable in several respects (risk taking, committing mistakes, s. a.).
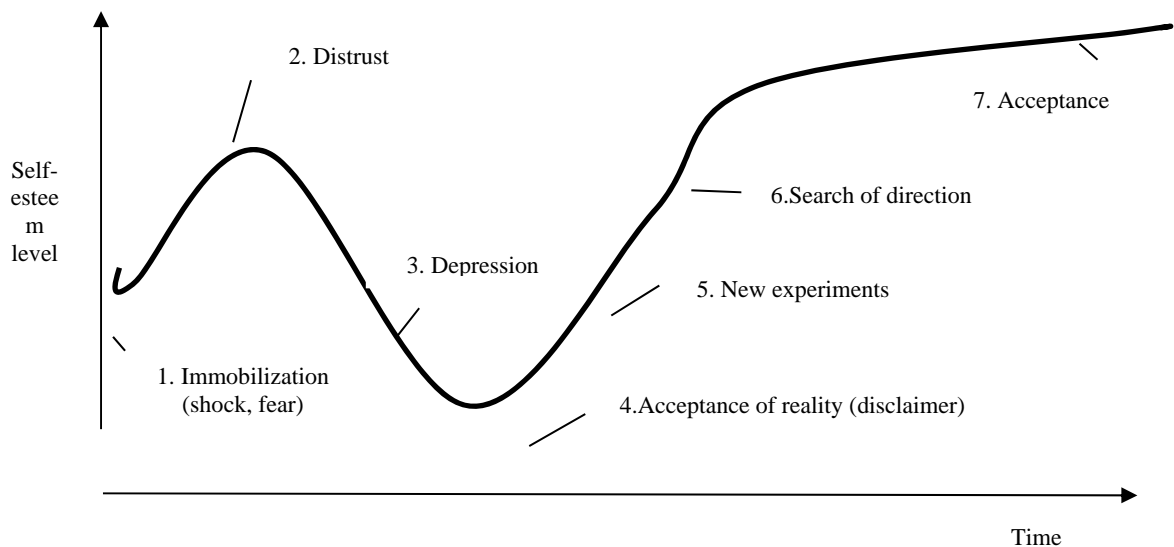


**Figure 3.** Changes suffered by self-esteem during transitions [5]
**Note:** 1,2,3, - negative reactions to change; 4- neutral reaction; 5,6,7 - positive reactions to change

Very few people are prepared to give up ideas for your loved obvious risks. Difficult to give up something very specific for the human being and it happens because it seems quite

dangerous to give a firm foothold and you head into the unknown (Ceptureanu, 2012). Every instinct of human logic, emotion of self-preservation and oppose this action extremely risky. From the point of view of psychology whose criteria do not necessarily reflect those of logic, these events are easier to understand. The vast majority of people under risk losing the flexibility of thinking. Preventing and resolving resistance to change depends on the ability to understand the reactions of individuals in such situations vary depending on a variety of criteria: mentality, character and culture. Thus, some want new and are pleased transformation, while others feel fear and exhibit resistance to loss of the status quo. It is possible that ambivalence to get more complex aspects: people may welcome the change and at the same time, to show resistance to its implementation (Masssa, 2008).

When reacting to a significant change in people, according to L. Clarke follows a predictable pattern of response - was called "transition curve" (Figure 3.) Showing an individual's reaction to change in a period of time.

As we see, the beginning of the transition process that involves changes are negative aspects related to the perception of change, followed by adjustment period, which lasts differently to different people, depending on the individual flexibility.

According to the American consultant J. Kotter [9] differ tangled emotions that occur change as anger, pessimism, arrogance, pride, cynicism, panic, fatigue, distrust, anger and emotions that help to achieve that change: positive trust, optimism, results orientation, satisfaction the positive results achieved, incentives, concern, excitement, hope. Also the author emphasizes, in particular, the need to act on emotions cause people to change itself and later to change things can change. Emphasizing and arguing prevailing social aspects of change for a successful outcome researcher suggests the following method of working with people: **SEE -> FEEL -> CHANGE**, i.e. employees must be shown opportunities and threats in a convincing manner and particularly the EU would achieve it aware of the need for change and actually achieve it (Lester, 2001).
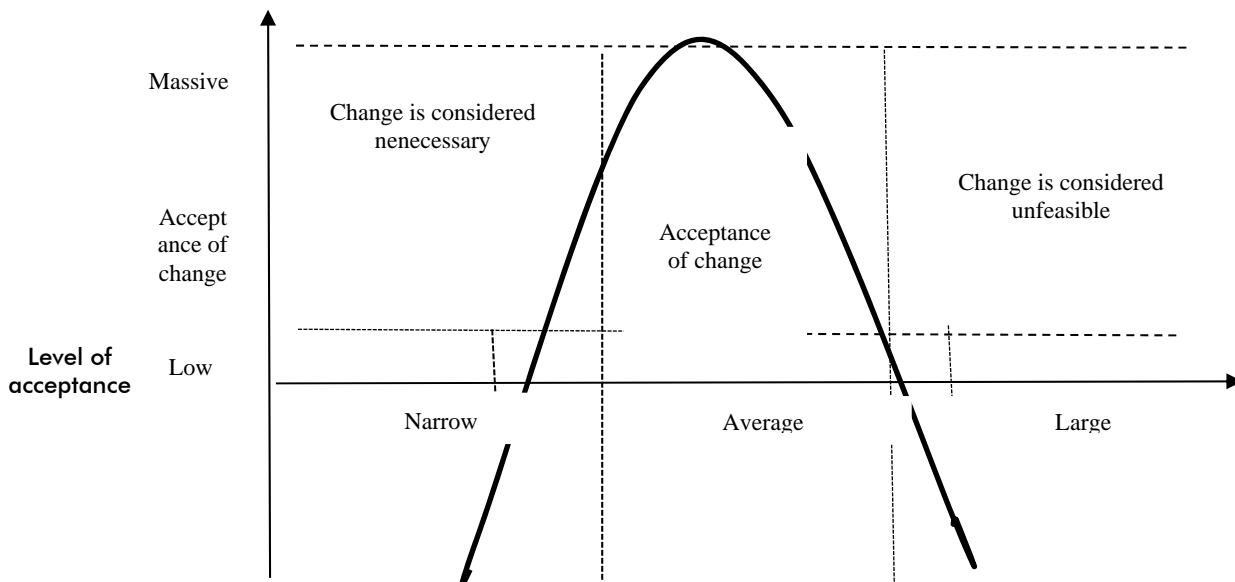


**Figure 4.** Dependence between dimensions of change and levels of acceptance [8]

According to G. Johns [8] in general, there are two reasons that "justify" change (Figure 4):

1. The change is not necessary because there is only a small discrepancy between the condition of the moment and the ideal state of the organization;
2. The change cannot be achieved because there is a discrepancy between the present state too large of things or requirements.

As we see in the figure as the size change (their size or depth) is higher, the change is more disagreeable, and the same reaction when forming its dimensions are small. Indeed, it is hard to convince and to convince others that "good is the enemy of good" and that perfection has no limits (Prusak, 2007). The middle is the only approved: the magnitude of change coincides with the needs, desires for change and the potential that we can use.

## 2. Change management research on innovative Romanian SMEs

### 2.1. Sample size and structure of SMEs

To analyse the trends, motives and peculiarities of change management in ITC innovative Romanian SMEs, we use a survey database that was collected by Romanian National Trade Registration Office- main legal entity with function of keeping the register of trade. The survey targeted SMEs, defined as enterprises with 1-249 employees, and also large companies and was implemented by means of computer-assisted telephone interviewing. Data collection was done over a 2 month period during September- October 2014. To reliably identify trends only respondents with long tenure and representing enterprises that systematically innovate and implement change, were selected. The survey therefore started with screening questions. Respondents first indicated if their company had developed implementation of change management processes and at least one innovation in the past year. This could either be a product, process-, organizational- or marketing-related innovation as defined by the Oslo manual (a set of integral guidelines for the collection of innovation data, see OECD, 2005). Secondly, respondents had to be involved at least in one implementation of change management process during the last 5 years. In this way, the screening ensured that respondents all represented SMEs with systematic efforts in change and they were in a position to adequately judge if and how change processes had developed over the past years. The sample was represented only by representatives of ITC domain (generate by difficulties to identify innovative SMEs on Romanian economy) and disproportionally stratified across four size classes (0–9, 10-49, 50-249 employees) (official EU classification of SMEs) and > 250 employees. Enterprises with less than 10 employees (micro-enterprises) were not excluded since they generally have limited identifiable innovation activities and this population usually contains many start-ups who are very innovative in order to survive on the market. Interviewers explicitly asked for those who were responsible for implementation of change, i.e. small business owners, general managers or staff managing new business development activities.
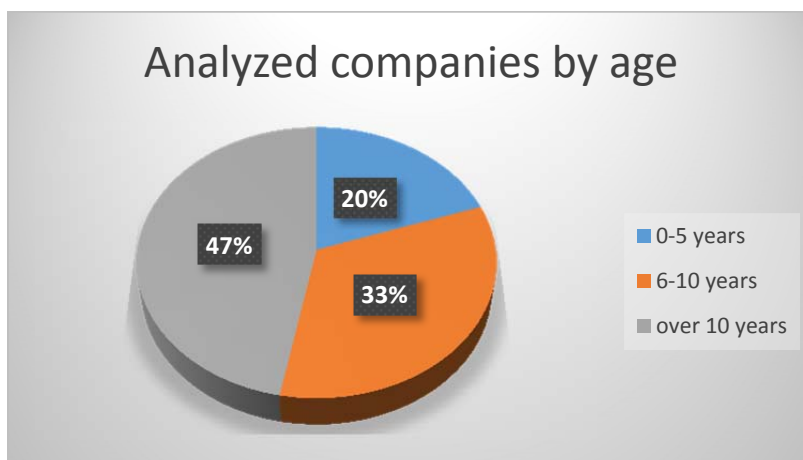
Distribution by Romanian counties

| No. | Counties | Number of companies |
|-----|----------|---------------------|
| 1 | Alba | 1 |
| 2 | Arad | 3 |
| 3 | Argeș | 4 |
| 4 | Bacău | 1 |
| 5 | Bihor | 16 |

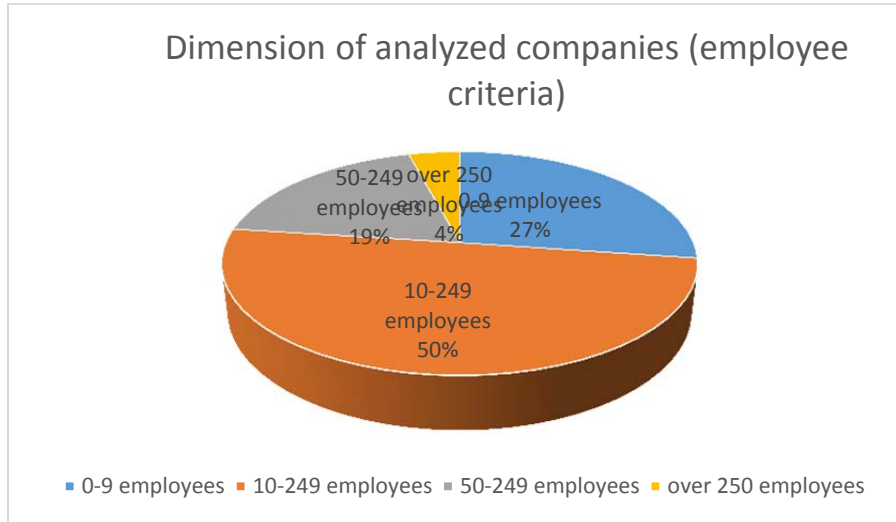| 6 | Bistrița-Năsăud | 2 |
|---|---|---|
| 7 | Botoșani | 2 |
| 8 | Brașov | 32 |
| 9 | București | 435 |
| 10 | Buzău | 2 |
| 11 | Călărași | 1 |
| 12 | Cluj | 83 |
| 13 | Constanța | 12 |
| 14 | Covasna | 2 |
| 15 | Dolj | 10 |
| 16 | Galați | 5 |
| 17 | Giurgiu | 2 |
| 18 | Gorj | 2 |
| 19 | Harghita | 2 |
| 20 | Hunedoara | 3 |
| 21 | Iași | 39 |
| 22 | Ilfov | 20 |
| 23 | Maramureș | 7 |
| 24 | Mureș | 13 |
| 25 | Neamț | 4 |
| 26 | Olt | 1 |
| 27 | Prahova | 19 |
| 28 | Satu Mare | 7 |
| 29 | Sibiu | 25 |
| 30 | Suceava | 3 |
| 31 | Timiș | 54 |
| 32 | Tulcea | 1 |
| 33 | Vaslui | 2 |
| 34 | Vâlcea | 4 |
| | **Total** | **819** |

Given the age of SMEs (Figure 1), most of the companies that were the subject of research were older the 10 years (47%), followed by enterprises between 6-10 years (33%) and those established in the last 5 years (20%).

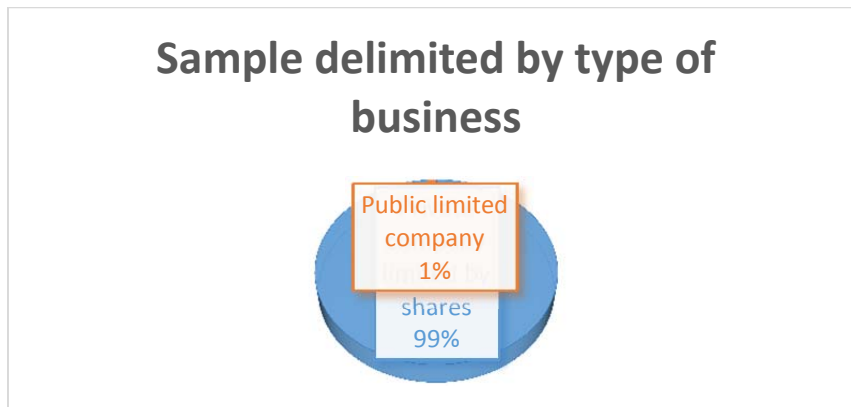| 0-5 years | 6-10 years | over 10 years |
|---|---|---|
| 161 | 273 | 385 |
| 20% | 33% | 47% |



**Source:** own research

Considering the size of the organizations, as shown in Figure 2, small enterprises represents 50% of the SMEs surveyed, microenterprises account for 27% and midsize companies have a rate of 19% .We also consider a sample of 4% of large companies in order to simulate accurately the conditions of Romanian economy.



| 0-9 employees | 10-249 employees | 50-249 employees | over 250 employees |
|---|---|---|---|
| 223 | 408 | 154 | 34 |
| 27% | 50% | 19% | 4% |

**Source:** own research

As regards the legal form of SMEs, 99% of companies are private companies limited by shares and 1% public limited companies. See Figure 3.



**Source:** own research

Type of business

| Private company limited by shares | Public limited company |
|---|---|
| 808 | 11 |
| 99% | 1% |

Given the NACE codes, the structure of companies is as follows: 54.9% of companies NACE code principal- 6201 (Activities to develop custom software (software-oriented client), 20.9% CAEN 6202 (consultancy activities information technology), 1.2% -

NACE 6203 (management activities (administration and operation) of calculation), 9.9% - NACE code 6209 (Other information technology service activities), 10,9% - NACE 6311 (data processing, hosting and related activities), 1,2% - NACE 6312 (activities of web portals) and 6391 and 1% mainly operate on CAEN code 6399 and 6391 (Other information service activities ).
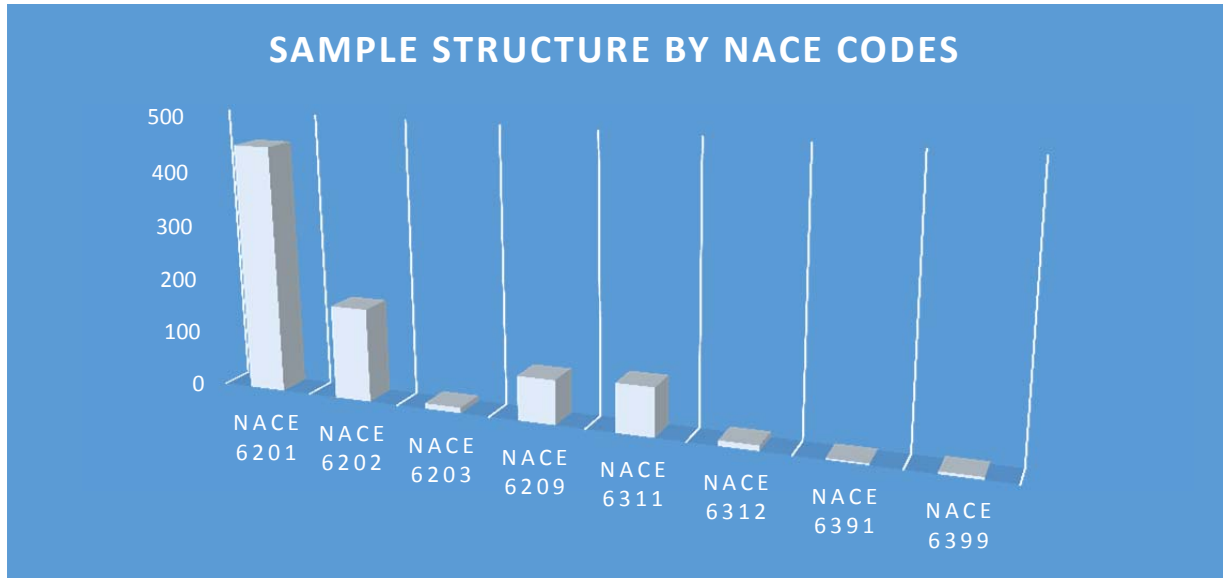


**Figure 5.** Sample structure by NACE code
**Source:** own research

### 2.2. Information about the change processes in investigated companies
**Table 1.** Survey variables

| Variables (partial approach) | Findings |
|---|---|
| Correlation between change and survival of the organization | 74,5% of respondents agree with the statement that the change provides better conditions for survival of the company in the medium and long term |
| The level of involvement of organizational subdivisions in the process of change | Regarding organizational structures involved in the change process  we emphasis the role of Sales Department (33,3%), followed by R&D Department (31,9%) and Production Department (18,8%). Unfortunately, Management Dept. is ranked 4th. |
| Perception of organizational changes on the market | Changes results on the market is reflected especially into creation of a product or service (39,2%), use of new resource (e.g. knowledge builders, T managers etc.)-34,3% or using an old idea/product/service into a new manner (13,95) |
| Determinants of change | The determinants of change- new ideas are represented by higher-level managers (63,61%), changing interests of owners (59,7%), liquidity crises and success crises (58,36%).58,24% of respondents believe that the process of organizational change cannot be controlled completely vs. 41,75% believe that it is possible to direct organizational change. |
| Areas affected by the change | The areas highly affected by the change are represented by new products/ services (55,31%) human resources (51,52%), organizational structure (49,08%). |
| The types of change used in companies analysed |  Proactive change represent roughly 54,21% from answer opposed to reactive changes-45,78% |
| The techniques used to implement organizational changes | 52% of respondents use techniques such as restructuration in crisis conditions (50,54%), managerial reengineering of BPM instruments (46,15%) and organizational development (28,69%) |
| The success of | **Negative results during implementation were obtained in  roughly** |

| implemented changes | **62,39% of analysed companies, while only 22,83% of respondents were fully satisfied with the results** |
|---|---|
| Role of subjects of change | Only 25, 07% of respondents mentioned that mid-level managers played the role of strategists, 57,14% were implementators and 17,79 were passive subjects of change. |
| Measuring resistance to change the categories of employees | 72,28% of mid-level and high level managers have positive reactions to change, the remaining 39,82% saw the change as a threat |
| Manifestations of resistance to change | Unfortunately 74,72% of employees show an active resistance to change |
| Frequency of using tactics to reduce resistance to change -actions of senior managers on change | Reducing resistance to change was obtained negotiation with employees reluctant to change (21,5%), Staff training (21,2%), Providing information needed for the adaptation of change (12,85%), Managers personal involvement in change management (18,8%), Stimulation and support in adapting change (14,2%), Rotation posts (6,5%) and Job enrichment (5%) |

**Source:** own research

## 3. Conclusions

Generally, considering the results, we find out that that:
- Resistance to change was and is a problem that faced all the organizations investigated, and attempts to reduce resistance to change problematic went to all;
- Conduct direct actions change (implementation plan) so was a difficult for domestic enterprises;
- Achieve quick results is only possible if it was developed a good plan of action coupled situational management practices in situations when there were "surprises" that it was not possible to foresee at the planning stage;
- Strengthening the change in corporate culture is an intangible result is sometimes very difficult to get him and requiring time. Respondents recognized that this requirement has been ignored in the past unconscious, lack of knowledge of change management;
- Assess the results of implementing change can be achieved easily by comparing staff to plan, analysing external and internal sources of information taking into account the social implications of changes completed;
- A distinction is made between strategic and operational change;
- Use models to stimulate and clarify thinking about change and impacts;
- Pursue the technical, cultural, etc. - Are interdependent;
- Attention is paid to transition management, and not the final aspects of change;
- Strategies are not filled with procedures, tactics;
- Preparatory measures (changing organizational culture and conducting training with employees) are vital Success is the approach;

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