

# Change in the company and impact on the activity

What elements of change management do we observe in the two business-cases during a situation of change?

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#### Introduction

We analyze how company changes impact their dynamic. To keep up with market evolution, companies must design and implement changes. A proper change might increase company's competitivity and efficiency, while an improper change might even ruin a company.

During our analysis we pay attention to impact of change on employees' behaviour, company's image, interactions with partners (customers and suppliers), the organizational structure.

## **Theory**

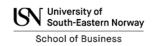
When implementing a change in a company, it's important to involve employees in the entire process. Both the leaders and the employees must have the same vision and goals. One theory that supports this, is Kotter's "8-steps process".

- 1. **Create.** All employees must be able to see the need of change.
- 2. **Build.** It is important that all employees feel included when the company is going through a change. They need to make a coalition, so they can build up trust to each other and find a common goal.
- 3. **Form.** The company needs a clear vision and clarify how future will differ from the past. Each employee should understand the new vision, be motivated and inspired by it, and work together with colleagues towards it.
- 4. **Enlist.** To succeed, the employees must understand, and accept the vision. It is important that leaders are active and clear in their visions. Communication is key to success.
- 5. **Enable.** When a company is going through change, it is important to act, by removing barriers. You must encounter obstacles to come closer to reaching the goal set for this change.
- 6. **Generate.** To keep the employees satisfied during change in the company, it is important to have short term goals. Kotter says that employees should be able to see results within 6 to 8 months.
- 7. **Sustain.** It is important to see the changes in a long-term perspective. Implementation of an important change (like expansion of the company) can take up to 10 years.
- 8. **Institute.** For a change to succeed, it is important that both employees and leaders accept and contribute to it. When the change becomes a "this is how we do it here" mentality, the change has succeeded.











#### **About CSI and BDO**

The first company analysed is CSi Romania, a company that produces handling and palletising systems. It is one of the most important suppliers from the market in the field of smart handling equipment.

Their last significant change was splitting the company in two, leaving the assembly centre in Cluj-Napoca and relocating the production centre in Reghin.

A team of experts in change management contributed to the success of the operation. Once decided to relocate production to Reghin, message was clearly transmitted to all employees. Employees were guaranteed for stability of their jobs.

Special attention was paid to the customers, ensuring them that quality of their products will remain the same and deadline for deliveries will be respected.

All new employees were initially trained in Cluj-Napoca centre for securing company's reputation. Trainings and team buildings have been organized to build and develop competences for employees and preserve organizations' culture.

Implementation was long, but small wins were created during the process to keep employees motivated.

Fortunately, the change was a success, employees kept a positive attitude and are open towards new developments.









The second company analyzed is BDO Romania, an outsourcing company with a wide portfolio of services – accounting, audit, taxation, legal, consultancy. They went through a significant change as they are starting a new business unit - human resources recruitment.

One of the challenges for BDO is finding customers, from various economic fields, for the new service. They rely on direct contact, networking, trust, and loyalty.

As differentiation in such a competitive market, BDO intends to offer flexible, customized, and innovative services.

A team of experts was employed for the new department. Trainings for personal and professional development and for adapting to organizational culture are frequently organized.

Short-term wins started to appear, motivating employees, and accelerating the process.

### **Conclusions**

Both companies went through significant changes, facing several challenges on their way towards an increased efficiency or a more diverse market and portfolio.

There are similarities in the changing process for the two companies. Both value their customers and rely on strong relationships, trust, and loyalty with their partners. By motivating and developing employees' competences, both companies successfully managed the changes.

#### **Sources**

Interview with Luciana Sara, HR manager at CSi

Interview with Darius Popîrțac, department manager at BDO

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