MANAGING CHANGE THROUGH COMMUNICATION

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It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change. 
Charles Darwin

Prezentă lucrare are scopul de a evidenția modul în care o bună comunicare a contribuit la creșterea eficienței unui proces complex de schimbare care a avut loc în cadrul sucursalei române a unei companii multinaționale. S-a urmărit realizarea unei analize a factorilor favorabili și restrictivi care au afectat acest complex proces de schimbare precum și a instrumentelor comunicaționale folosite în fiecare etapă a procesului si a impactului acestora asupra eficienței întregului proces.

The present paper is meant to emphasize the way in which communication has contributed to an increased effectiveness of a major change process, which took place in the Romanian branch of a multinational company. The purpose was to analyze the conditions, which favored the change and also the constraints, which affected it. The communication tools used during each step of this complex change process and also their impact upon the general effectiveness were thoroughly analyzed.

Key words: management, communication, change, effectiveness

1. Introduction

Nowadays the economic environment is continuously changing and players need to react fast in order to keep path with the new demands on the market.

People working in companies are resistant to changes which impact their working lives. Thus, managing change is a critical aspect in every company, which aims to be competitive.

One key element in managing change is communicating it effectively to all the players involved.

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Communication is important to help employers surpass the fears and concerns aroused by change. People wonder what effect it will have on them - will they still have a job after the change, will they keep their hierarchic position, will they have an interesting role? Because these questions will always be asked, and uncertainty in a working environment reduces productivity, it's important to communicate clearly what is changing and why.

Three main questions are to be considered:

1) What is communicated?
2) When is it communicated?
3) How is it communicated?

To sustain a change process, it is necessary to communicate at its beginning in order to give answers to the initial concerns and also through the stages of the process since people will have new questions to be answered and new understandings of the process. Also, after the end of the change process communication must be continued if necessary.

Employees need to be informed about the reasons why the organization has to leave the current state and move into the new one. They need to know why is it dangerous to keep the current state, what will happen if the organization does not change. They must also be informed about the future state of the organization, after the change process ends, at most they must understand the future advantages and which will be their implications for their jobs. Employees must also be explained how the future state will be reached and how this change will happen. [1]

The objectives of this paper are the following:
1) the analysis of the favorable conditions and constraints which affected the change process
2) the analysis of the communication tools used during each step of it and their impact upon the effectiveness of the change process.

2. Analysis of the Tools Used to Communicate a Complex Change Process in the Romanian Branch of a Multinational Company

Based on the functional approach of communication, each company represents an open system, consisting of several departments, interconnected, which work together in order to reach the organizational goals. These departments exchange information among themselves and with the external environment, while co-operating in generating an output (goods or services) which outside customers will buy.
Managing change through communication

Inputs like the resources of the company, its strategies, but also information from the market are all coming into a transformational process, involving the management practices of the company, the knowledge and skills of its employees and all contribute to the attainment of the goals of the company.

If some elements in the outside environment change (suppliers, competition, buying power of consumers), the open system receives information and must react as soon as possible, by making internal changes. These changes can have as a result, the change of the output, which should be better adapted to the new conditions of the environment [2].

Nowadays, the big companies have started to use extensively the ERP systems (Enterprise Resource Planning) to manage their businesses, since the old classical non-integrated systems no longer cope with the complexity and high integration of the actual business processes.

The company analysed here, an important multinational food producer, uses in most of its operational facilities worldwide the SAP system (Systems Analysis and Products in Data Processing). Thus the communication among most of the business units is done within SAP system, which means in the same “language”, using the same procedures and materials.

SAP is the largest business application and ERP solution used nowadays.

Two years ago, the Romanian Branch of this company decided to implement SAP, which had to replace the other internal systems used so far. This objective triggered a major change process, which affected both locations of the company: the headquarters in Bucharest and the factory located in western Romania.

One main constraint was that the new system had to be implemented in a rather short time – less than one year.

The main characteristic of this project was that “there was no Plan B” – the project had to be successful, since there was no alternative, or way back.

One of the main challenges of this complex change process, resided in how to communicate it effectively to all the employees, how to make them conscious about the necessity and utility of the new system, since most of them first reacted like “Why do we need this?”

Another difficult step was how to better adapt the new system to the business profile of the company. Such systems are adaptable: each module can be tailored according to the business specificity and the requirements of the company. On the other hand, multinational companies are recognized to be very bureaucratic, having many strict procedures, which must be followed. Thus, it was necessary to bring in the implementation team, highly qualified people from the business, who knew deeply the procedures and characteristics and were the best capable to translate them in “SAP language”.
The main favourable factor for this change was represented by the human resources of the company: most of them young, capable and knowing very well their jobs.

From each department one high-qualified person was chosen to be 100% involved in the implementation process. Together these persons were the first trained about SAP use and implementation. Around each of them a team was formed from people 100% dedicated to SAP implementation and people which were only 50 % dedicated to SAP and remained 50% connected to the daily business process. 12 such teams were formed, each of them having a team leader and, all of them being leaded by the SAP Project Manager (described in Fig. 1).

The implementation team got all the responsibility related to this change process. All the employees of the company were affected by the change, since all of them had to leave the operational systems they worked with and to start using SAP. The issue was that each of them perceived the change in a different manner: some were happy to learn a new useful system but others were very reluctant (especially the older ones), feeling that they are wasting their useful working hours with trainings and learning, while they also had to do their daily business duties.

In order to make sure that the change would be a success, although they had detailed information about the process in other countries, the implementation team had to take into consideration the specificities of the market: size, age, complexity, history of the business, management style.

Fig. 1. SAP implementation team (T1, T2, … = Team 1, Team 2…)
The first step was to assure that all employees understood and supported the reason for change.

One year before the project started, an intense communication process started, meant to inform all the employees about the necessity of this major change. Several formal meetings have been organized, written internal letters have been sent to employees, and documentation has been posted on the intra-net site, all meant to reduce the general fear and reluctance of the employees from the new system.

Company employees have been consulted regarding specific parts of the business and, based on this information, the differences between current way of doing business and the future way (in SAP) were carefully analysed and the most effective plans were developed.

The training process was a very complex one, since most of the employees involved in this process had no idea about working with SAP.

First, the SAP supplier company has delivered training to the implementation team, while receiving back precious information on business specificities, helpful for designing the system. Members of implementation team themselves received detailed information from business employees.

Employees who were not directly involved in the project implementation, only received training from the implementation team, on how to use the system when active (Fig. 2).

The project was organized in several steps, as following:

1) **Change vision**: implementation team members worked together to create a change vision pointing to the specificities of this project. In this period, each Team Leader organized weekly meetings with business employees in order to explain them the project activities related to the respective team and obtain their validation for the system settings. Monthly, there were organized meetings...
between project managers and business managers, to inform about the project status, main changes and in order to facilitate communication of the main changes to the business employees.

2) **General mapping**: meetings were held to map the process, involving implementation team members (definition of project scope, team and strategy).

3) **Design of the solution**: meetings were held to analyze business processes and organization to adopt SAP standards and design the solution.

4) **Preparation of the solution.** It involved the following:
   a. testing that system works: testing processes, transactions, reports etc.
   b. data collection (data about products, suppliers, customers, etc were collected)
   c. trainings: knowledge transfer from implementation team to business employees and managers

5) **Final preparation**: system tests, data loading in SAP and final training of business employees and managers, check users’ ability to use the system and cut-over (gradual interruption of the old systems)

6) **Starting the new system**: one week before start, all employees received e-mails informing them to stop using any other internal programme, since all the data started to be loaded into the new system. No business transactions were done during this week. Gradually the old programmes have been stopped and the employees’ access to them has been cut.

7) **Support after starting** the new system was assured for a period of 4 months, through training sessions, e-mails, telephone conferences, or face-to face conversation and help offered by the implementation team whenever necessary.

Fig. 3 summarizes the communication tools used along this major change process.

**A major internal event – a conference** - has been organized at the beginning of the project, in which all the employees of the company were invited to take part and have been informed about the stages of the project and the roles they will have to fill in. The importance of their contribution and commitment to the project has been stressed the necessity of this major change as well as its beneficial consequences of the entire activity has been explained. They have also been informed about the difficulties they will face, about the less pleasant
implications (working overtime, lack of holidays) but also about the rewards they will receive.

**A similar event** was organized before the beginning of each major stage of the project, but with the participation of the implementation team only, in order to inform them about the attained progress, the actions to be taken in the coming stage, their roles and involvement required.

**Formal communication:**

The formal communication associated to this change process, was of a multiple network type – when all the members of the implementation team could communicate among themselves, received important messages both from the local Project manager and also from the SAP supplier. The multiple network of formal communication is the most open type where any member can communicate with the others at the same time [3].
During the entire implementation period, several means of formal communication were used:

- all the members of the implementation team received e-mails and internal letters informing them about any changes which occurred or were expected, they had to take part in telephone conferences with colleagues from other countries or with the representatives of the SAP supplier
- instant messenger was installed to the computers of all implementation team members in order to facilitate instant communication among them
- direct access to SAP training materials placed on the intra-net site was provided to all implementation team members
- a test SAP session was opened for all implementation team members to practice on it
- formal meetings were organized weekly, gathering all implementation team members (the ones from the Factory joined through telephone conference) to analyse the status of the project, discuss the problems and find solutions.

During the last steps of the project, all the employees of the company had access to SAP training materials on the intra-net.

One major factor to facilitate the change was the training process. This process received a particular attention, both regarding the organization and the quality of the materials, since this had a direct influence on the ability of the employees to work with the system and upon their self trust and the way change was perceived.

The training process has been organized as following:
- SAP Supplier has first trained the Implementation team members
- Implementation team has trained the employees working both to the project and in business
- Implementation team has finally trained the business employees.

A special attention was given to training the trainers – the members of the implementation team who had to further train the business employees, received special trainings on how to train others. This had a significant importance, given the general resistance to change. The way of instructing the others in using the system was critical, to make it user-friendly. Thus, people with training abilities have been chosen and received specialised training on training techniques.

**Informal communication** has flourished intensively, besides all these formal communication tools, like it usually happens in big organizations before
and during big change processes. Several informal groups have been formed, individuals who feared the new system started to develop and spread rumours, most of them having no justified basis. As proved by the researches done in this field, rumours seem to spread faster and on a wider area when the information is quite ambiguous, when its content is important for those involved, when it seems credible and when the receiver is anxious [4]. Since all these factors were present, lots of rumours have started to flourish in this company.

Informal discussions had also positive impacts: people who got more involved in the training process developed their abilities to work in the new system. Others, who were more involved in the business process, knew less about the system and, while forced to use it, started to ask the first ones for assistance. This “informal training” has gradually become a custom, such as employees who knew the system well, used most of their time in assisting others. The management has put an end to it by instituting general procedures about how to ask for assistance. The procedure for assistance is quite complex, thus it encourages employees to consult their training materials carefully first and ask for assistance only if it is really necessary.

Despite of all the resistance to change manifested by many employees, the implementation of the SAP system went smoothly in this company, and the top management appreciated it as being successful.

3. Conclusions

Communication was a key tool to the success of this SAP implementation. Since all the employees had received a lot of well-structured information during training and testing and they were made aware of the high importance of the project during all meetings and conferences, they could play their roles successfully. Even if some employees had less English knowledge and were more reluctant to this change, with the help of the more advanced users, they could overcome this gap and finally use the system effectively.

Before and during the entire implementation process, the importance of the project has been incessantly stressed on to all employees, through announcements, presentations and conferences, such as nobody was left out of this informational process. The communication was successfully managed and helped the employees to get through the change more smoothly.

REFERENCES