

THE CONTRIBUTION OF CHANGE MANAGEMENT ON THE SUSTAINABLE DEVELOPMENT

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Abstract. The work proposes an approach to the issue of the sustainable development through the change management process. The approach to sustainable development through change management is motivated from the fundamental function of an enterprise: making profit. In this case, prosperity is very important from the point of view of the shareholders. Sustainability means in this context the capacity of generating financial value for an undetermined period. The change management techniques and tools contribute to this function through streamlining the detection of a change in the enterprise structure or in the internal or external flows. In the context of sustainable development, the concept of social responsibility is discussed and the importance of ethical and social standards is highlighted. The main topic is about how change management creates a framework for a system for monitoring, comparing and prognosticating the enterprise flows, easing the management actions and contributing to competitiveness, efficiency and sustainability of the enterprise.

Keywords: change management, sustainable development, social responsibility

1. Introduction

Sustainable development is a process, which strives for business sustainability. The sustainability can be defined as an ideal state of an enterprise (a balanced situation), making reasonable profit on an undetermined period. This can be achieved through the change management process responsible for the combination of the material flow and the human resources flow within a technologically adaptable enterprise [1, 7].

The change management domain has become very popular in the last fifteen years giving the business world and the scientific one, topics of debate and applications [2, 3, 6]. When measuring change on the level of the enterprise, one has to quantify through various indicators the difference between the original status quo of the enterprise and the result after the change took place. The key elements in understanding, planning and achieving a sustainable community are establishing a baseline and working collectively to map and monitor the community's progress towards its vision. Indicators are pieces of information that together form a picture of the overall sustainability of a community or enterprise. Typically, sustainability indicators are framed around the three domains of sustainability. These indicators are to be chosen from every field that has impact on the enterprise: technical, economical, social and environmental. Therefore, an analysis of the change management as function of

the business sustainability is imperative.

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In the context of the sustainable development through assuming the social responsibility and practicing change management applications, it can be achieved an affinity and predisposition in understanding the necessity of coexistence of the three dimensions – the economy, the society and the environment.

2. Guidelines of sustainable development

2.1. What is sustainable development

The concept of sustainable development began to emerge towards the end of the last century and its importance got to the social conscience [9]. The problems became obvious through publicity regarding surrounding issues such as the thinning of the ozone layer, widespread destruction of rainforests, drought and famine, urban pollution and

the threat of extinction of various species.

The humanity is facing as the former Secretary-General of the United Nations stated the “biggest challenge in the new century” which implies taking the abstract idea of sustainable development and turning it into daily reality for the entire world’s people. The terminology of sustainability is used today in a bewildering array of contexts – social justice, community development, climate change [4, 5]. We consider the 1987 Brundland definition as the most comprehensive and suited reference as it gained most international acceptance: “Meeting the needs of current generations, without compromising the ability of future generations to meet their own needs”. Using this definition as cornerstone, we give the following completions:

Sustainable development can be understood as the set of actions, abilities and techniques of resource use that have the common purpose to meet the needs of today’s population without harming the ability of future generations to meet their own needs.

Sustainable Development is about:

- Balanced and equitable economic development
- High levels of employment, social cohesion and inclusiveness
- A high level of environmental protection and responsible use of natural resources
- Coherent policy making in an open, transparent and accountable political system
- Effective international co-operation to promote sustainable development globally

In conclusion, sustainable development can be defined as a better quality of life for everyone, now and for generations to come. It is a vision of progress that links economic development, protection of the environment and social justice, and its values are recognised by democratic governments and political movements the world over.

2.2. Corporate social responsibility

In order to achieve and implement the concept of sustainable development in the enterprise organizational culture the concept of social responsibility is first to be analyzed. Social responsibility implies the interests of the society and the taking of full responsibility for any decision. From this point of view, the change management palette of techniques and tools has to incorporate both social and ethical standards. As a component of all three dimensions of the sustainability mentioned above, the humans find themselves on the edge of understanding the need of a social partnership between the enterprise and the interested parts (the stakeholders).

The community of interests on the conceptual level is accepted but in applications and practice is harder to implement. The main reason is the human factor that generates through its various interests general and specific misunderstandings. From this point of view, the change management process is to be analyzed on two levels: the material dimension (techno-economical) and the human dimension (organizational) [8]. This idea is strengthened by the fact that the human as alone standing entity is present in every one of the three dimensions being at the same time: employee, member of the society (consumer of products and services) and beneficiary of the natural environment.

The concept of obtaining sustainable profit every year is not compatible with the spectacular business growth based on innovations that bring short time profits without achieving true value. The difficulty of gaining equilibrium between the short term and the long term profit is best described by the former General Electric CEO, Jack Welch who states: “Anybody can manage short. Anybody can manage long. Balancing those two things is what management is.” and “You can’t grow long term if you can’t eat short term.” This means that long term profit can be decomposed in short term prosperity but this two have to fit together.

If we consider bankroll as failure and sustainable business as success, we can discover that the causes for both are as well as legal and ethical. Respecting the law is an issue of accountability. Considering and keeping the ethical principles is an issue of social responsibility. The accountability is a legal issue that is not aimed to bring a competitive advantage. The law obedience brings all the competitors on the same start line.

Under the circumstances of the obvious evolution of the societies’ values, the management of an enterprise needs vision to distinguish the tendencies and to prepare itself for future situations. This position can only be achieved through fully understanding of the concept of social responsibility.

2.3. Synergies between the change management process and the concept of sustainability

The following chapter will encompass similarities between the change management process and the process of achieving sustainability. In order to manage this comparison five particular stages are defined as common during both processes:

1. Naming the scope of the project
2. Collecting and assessing data
3. Setting and planning the strategy

4. Implementing and adjusting
5. Monitoring and reporting

A parallel analysis is made to highlight the similar patterns and actual synergies between change management and sustainability and has the goal to underline the necessity of handling and managing these two concepts together – as one complex process.

The scope of the project from the point of view of the process of striving for sustainability has the following peculiarities: agreeing on the scope, goals, deliverables and timing and defining the project structure.

In parallel, the change management process contributes during this stage with the following actions: enrolling the sponsors, assessing the internal and external stakeholders and evaluating the enablers and the barriers

Regarding the second step of collecting and assessing data, the following aspects are to be considered:

Process of striving for sustainability:

- assessing internal and external resources
- evaluating current efforts
- identifying areas with opportunity potential

Change management process:

- assessing context of the change situation, assessing the company culture and capabilities
- analysing and prioritising gaps
- engage stakeholders

The following aspects must be taken into consideration from the point of view of the third step – setting and planning the strategy:

Process of striving for sustainability:

- creation of the strategy
- plan development
- engage stakeholders
- dissemination of the communications

Change management process:

- determine readiness
- craft change strategy
- sequence initiatives
- plan and organize for changes

The fourth step of implementing and adjusting the concepts of the strategic changes for achieving sustainable development is characterized by:

Process of striving for sustainability:

- prioritization and implementation of the initiatives
- coordination of the efforts
- monitoring of the execution
- making adjustments and going on

Change management process:

- communicating and training of the human resources
- managing possible resistance
- incorporate feedback
- making adjustments and going on

Regarding the fifth and final step, which implies monitoring and reporting the finality of the process, following aspects are fundamental:

Process of striving for sustainability:

- measure effectiveness
- report progress
- plan next steps

Change management process:

- engage external stakeholders
- plan next steps
- celebrate successes

The above mentioned model has been created by author and management consultant Peter Hess, president and CEO of Change Partners, Inc. and gives wide comprehensive overview of the symbiosis between the two dimensions of sustainability and change management. This onset is highly recommended in further scientific studies on the synergies between the change management process and the concept of sustainability.

3. Human factor – decisive element in economy, society and environment

The human factor is an essentially simple concept that few can argue against, but all encompassing and open to varied interpretations. Sustainable development recognises the interdependence of environmental, social and economic systems and promotes equality and justice through people empowerment and a sense of global citizenship. Whilst we cannot be sure what the future may bring, a preferable future is a more sustainable one.

Involving the community, is increasing the profile of the challenges and promoting the positive impact people can have in addressing them, can strongly affect the constructive changes people make in their lives and the level of ownership they have in the process and the outcomes.

Industry is on a three-stage journey from environmental compliance, through environmental risk management, to long-term sustainable development strategies.

For the business enterprise, sustainable development means adopting strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting the human and natural resources that will be needed in the future.

One of the approaches to sustainable devel-

opment used by global industry is known as the triple-bottom line – a term used by John Elkington, author and management consultant, which refers to the three pylons of social, environmental, and financial accountability. It is a term that has been accepted and used as reference, by the World Business Council on Sustainable Development.

The notion of reporting against the three components (or 'bottom lines') of economic, environmental, and social performance refers to the concept and goal of the sustainable development. Triple bottom line reporting provides information to enable others to assess how sustainable an organisation's or a community's actions are.

The perspective taken is that for an organisation to be sustainable it must be financially secure; it must minimise its negative environmental impacts and, it must act in conformity with societal expectations. These three factors are highly interrelated.

The individual as a constant in the three dimensions finds himself, due to the today's severe implications regarding the environment, in a process of forced maturation regarding the acknowledging of the need of a social partnership between the enterprise and the interested parts. The forced maturation is a result of the more and more exigent demands which are imposed by the society.

In the context of the sustainable development of the enterprise, it can be created by acknowledging the social responsibility, an affinity and predilection in understanding the need of coexistence of the three dimensions. This is achievable by following the change management process in order to convert the ideological and normative structure of the human behaviour in an enterprise. On the other hand, through the effective usage of the change management steps, one can ascribe the human behaviour the needed answers and guidelines for handling it in a determined way, mode and rhythm.

An important fact is that the sustainable development is in tight relation with the decisions that are taken at the enterprise's level and with the imposed strategies. These facts comply with the key concept that every individual has to develop; in order to assure the sustainability of the enterprise where he or she is employed and implicitly, the sustainability of themselves and of the environment, they have to develop a sense of social responsibility and to engage the qualitative not the quantitative side of things. In doing so, social costs, natural resources and natural costs are being saved.

4. Conclusions

The article proposes an approach to the issue of the sustainable development through the change management process.

In order to achieve and implement the concept of sustainable development in the enterprise organizational culture there are some key-concepts that have to be analyzed: among them, the concept of social responsibility, the concept of obtaining sustainable profit every year, the community of interests.

Furthermore, there have to be pointed out similarities between the change management process and the process of achieving sustainability. This analysis has the goal to underline the necessity of handling and managing these two concepts together – as one complex process. In fact, the symbiosis between the two dimensions of sustainability and change management is more than obvious through the presence of the human factor.

Moreover, practice demonstrates that a properly applied change management process helps to convert the ideological and normative structure of the human behaviour in an enterprise. The goal is to achieve the sustainable development of the organization. This is, as the paper points out, in tight relation with the decisions that are taken at the enterprise's level and with the imposed strategies.

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