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COMMUNICATING COMPANY CHANGE

The article discusses the importance of social communication in a company undergoing change. Intensive communication is a prerequisite for any company to conduct a proper transformation in order to adapt to a free market economy.

1. INTRODUCTION

Social communication is a process of sharing broadly understood information by individuals, groups and institutions. The challenges that a company in change confronts are specific. The model procedure (process) of managing change shown here takes into account the basic tenets of the Wrocław school of personnel management. The strategic importance of communicating within the company has been stressed. Notions and definitions selected from the literature on the subject have been verified in practice and they are some of the definitions for scientific tools: career path, map of force and involvement, attitudes survey, etc. Since most companies show pathological symptoms as far as implementation of personnel function, only selected companies have been tested; those whose management realized the need to persuade their staff to changes (sometimes this approval was achieved after organizational selection, and before or/and in the course of further transformations).

Companies have undergone substantial transformations (Listwan 1995, p. 11–15). Their environment has become dense and turbulent (Garbarski, Rutkowski, Wrzosek 1996, pp. 23–118). Nowadays, companies cannot grant job security to their employees (Kramer 1997, pp. 11–24). The information gap is widening (Duliniec 1995, pp. 13–16). The longevity of an average company has shrunk, while an employee changes and modernizes his/her qualifications five times during his/her career. The dynamics of social transformations have grown (Naisbitt 1997, pp. 29–61). Changes in company's environment have become a challenge for companies. Neglecting or not giving enough notice to the need to adapt the organization to the requirements of the environment may cause a huge accumulation of

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needs, which in effect, may make these changes revolutionary. Even if the crisis has been successfully overcome, another crisis or bankruptcy may be brought about by various problems piling up in a company, unless managers or employees change their behaviour patterns. Another path of behaving is implanting adaptation mechanisms in a company. Here, an **internal assumption** is made that a need for change has been accepted. This cannot be a top management decision only, although top management will have to revise their managerial style, but also the need must be shared by the majority of employees. In order to achieve this, one must provide the staff – within a frame of *intensive social communication* in a company (Antczak 1997; 1997, pp. 243–254) – with a good deal of information on the difficulties the company faces. The purpose behind this is to make people involved in the process, rather than have them passive in a blissful state of apparent job security.

2. COMPANY SITUATION ANALYSIS

We have to analyse the company and its environment. We are distinguishing *external* elements, *internal*, and also *channels of information* within the organization and its *communication with environment* (Figure 1).

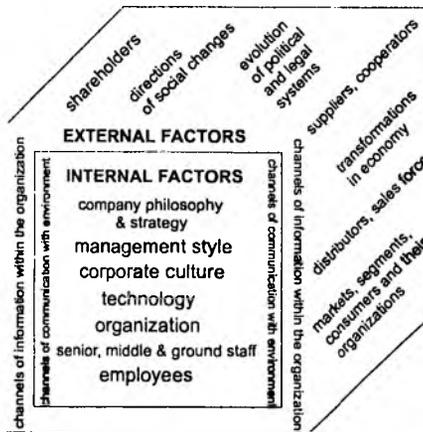


Fig. 1. External and internal factors in managing change
Source: author's treatment.

One must also take into account stage of the company's development and its size (Table 1). Larry E. Greiner distinguishes five stages, from a small-size company to a large-size, mature company.

Table 1
Stages of the company's development according to L. E. Greiner

Stage/growth through	I/creativity	II/objectives	III/delegating authority	IV/co-ordinating	V/co-operation
Organization	Informal	Functional-hierarchical centralized	Decentralized	Team functions strategic units units working in groups resp. for products	Matrix structure
Communication	Network	From the top	From the bottom	Decentralized	Mixed
System	Fast response to environment requirements	System standards—cost centres, budget reward system	Profit centres bonuses – exception rule	Formal procedures of planning, investing centres, rigid spendings control	Simplified integrated information
Behaviours	Individualism initiative ownership creativity	Authoritarian leadership conformity group	Autonomy participation delegating authority	Bureaucratic supervision	Innovating orientations: improving group&learning interpersonal skills
Crisis of:	Leadership	Autonomy	Control	Bureaucracy	Self-esteem
Virtues	Involvement Flexibility	Effectiveness	High motivation of management	Effective allocation of resources	Spontaneity Flexibility
Vices	Founder can not be a manager: over-worked	Doesn't fit diversity, hierarchy hinders staff development	Staff loses control over decentralized company	Bureaucratic divisions within the company	Extreme psychologizing

Source: author's study modified on the basis of Greiner (1972).

External factors analysis is continued by diagnosing the potential of changes (forces supporting and hindering changes). We have to be more specific about the **strategy** – in order to get the answer which transformation incentives should be applied to succeed in change. What is the company strategy? Does it match the requirements of the environment and the challenges set forth by the company itself? Do employees **know**, accept, and put this strategy into practice? **Structure**: what is the current company structure? How does the *process of sharing information* work, range of control, tasks, and specializations? Has the structure to date been successful? – **people**: what do behaviour, attitudes, and skills lack? Is the Management effective? Is the former/recent management style proper? How does the corporate culture look like? How does *communication* and personnel motivation look like? – **systems**: are there systems that would guarantee dynamic functioning

of the company: operative management, continuity of personnel, reward system, **communicating**? Each of the incentives mentioned encloses elements of social communication within a company (Clarke 1997, pp. 37–58).

3. ACCEPTING CHANGE BY THE EMPLOYEES

Approaching change on a broad basis is very important, as well as winning employees' support. Changes breed anxieties, insecurity, threat of losing hard-earned privileges, feeling of loss. *Intensive communication* should help employees to build a belief that previous ways of behaviour have proved unsuccessful, and unless employees learn to do something different, the company will fail, and they will lose their jobs. Change is a process of learning new form of team work (Crozier, Freidberg 1982, pp. 363–373). K. Lewin – E. H. Schein's model of de-frosting-change-freezing of attitudes (Lewin 1947, pp. 5–41; Schein 1980, pp. 243–247) describes the process well. If the management, due to *intensive communication*, provides conditions for experimenting, makes their staff aware of the change, gives support and encourages participation in change, creates perspective for training and implementing changes, the employees will become the driving force of the change. The next step is to introduce mechanisms supporting change; these would be promoting proper attitudes in order to internalize them (social communication!), revising rewarding systems, performance assessments, career paths and trainings. Another effective way of doing this is also translating long-term, strategic changes into short-term, operational (step by step) changes, and also anticipating resistance. Introducing change in a company may cause the fall of the current: performance, organizational abilities, formal relationships. The following appear: feeling of losing control (among the management), fears of challenges to come, insecurity and ambiguity due to *excessive information* (on the other hand, it is necessary in order to work out new solutions and attitudes in employees), additional duties and work. Withdrawal from change may cause total breakdown of the changes in progress.

4. SUPERIORS' TASK: BUILDING THE CULTURE OF CHANGE

Effective managing change requires understanding the culture of the organization. L. Clarke's model presents leadership thanks to making staff sensitive to change (Table 2). Simon Majaro's model (Figure 2) shows the impact which the management have on building such a culture. It is not possible to make such systems of behaviour, values, etc. widespread without social communication, both through **official channels** and **unofficial channels**.

Table 2
Leadership thanks to making staff sensitive to change

Phase	Work
Analyse external and internal market for changes	Tune yourself up to the environment; build internal market for change; test perception of change and attitudes through polls and audits in order to assess the level of customer satisfaction and present results to the most appropriate people; create channels that would enable expressing dissident views and diagnosing problems.
Anticipate resistance	Key people gather information on the potential level of resistance in their area; use techniques, such as analysis of field of powers and map of involvement in order to estimate risk of changes and the level of organizational readiness for the change. Outline preliminary scope of changes; how broad are the changes, and what influence do they have on employees and customers? Should you continue them?
Build a common vision	Communicate organizational vision with real involvement; make it clear that change and vision are one; encourage teams to hypothesize to make them feel more comfortable about the future.
Win their involvement	Spread the vision of change behind the circle of people involved in it in order to reach critical mass; appoint agents of change, project teams, etc. Organize training courses and employee meetings for those who represent functional areas in order for all areas to meet; communicate and consult employees and groups.
Make a plan of change	Make a plan of change step by step; split it into elements feasible to implement; introduce formal channels of communication.
Reinforce changes	Poll the employees. Asses attitudes for further change that would enable your monitoring progress and correcting plans; institutionalize changes through proper adjusting of procedures and systems; identify and reward heroes; withstand and win.

Source: author's study on the basis of (Clarke 1997, pp. 242).

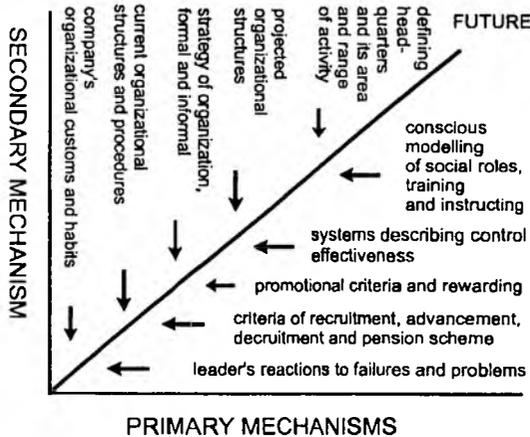


Fig. 2. Influence of leaders on company's organizational culture
Source: author's study on the basis of (Clarke 1997).

Changes in organizational culture alone, without changes in organizational structure and its processes, will not be effective. There should be synchronization of the transformation between these elements in the process of change implementation. Creating an atmosphere conducive to changes should be supported by creating visions of the future actions (Figure 3). The leadership based on that vision has attributes of cultural leadership, which is based on delegating authority, risk-taking, long-term vision, esteem for oneself and for employees, building trust, interpersonal skills, and focusing on key issues (Clarke 1997, pp. 184 ff.).

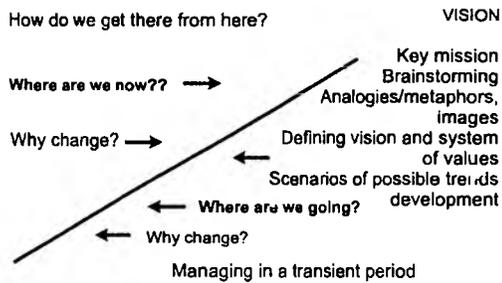


Fig. 3. Atmosphere conducive to changes: building a common vision
Source: author's study on the basis of (Beckhard, Harris 1989).

5. STEP BY STEP

Small changes introduced step by step brings us closer to the goal. The inherent paradox of managing change is not re-organising it once, but getting the company used to constant change. Ricky Griffin breaks the process of change into seven steps: acknowledging the need for change, defining objectives of change, diagnosing key variables, choosing proper techniques of change, planning change implementation, putting change into action, and assessment and continuation (Griffin 1996, pp. 397). Joe Peppard and Philip Rowland discuss seven stages: unawareness of change shock, negation, acceptance mixed with turbulence of the change process, looking for solutions, and taking action (Peppard, Rowland 1997, pp. 254 f). Horst Steinmann and Georg Schreyögg present a six-stage model: 1. emphasis on management and stimulus to act, 2. intervention at the highest level of action and turning to internal problems, 3. diagnosing and detecting problems, 4. finding new solutions and implementing new rules of behaviour, 5. experimenting with new solutions and displaying results, 6. approval of correct results and acceptance of new

methods (Steinman, Schreyögg 1995, pp. 291n). L. Clarke uses a four-arm star to describe changes: **1.** Why change? We must describe, together with employees, arguments for change based on economic calculation (internal and external factors); encourage people to ask themselves about reasons to change, and to critically assess *status quo*; communicate benefits that come with change; make sure in advance that key people are involved in the process of managing change; **2.** Make sure that the change is workable: estimate impact of change on staff and on customers; make sure enough time and space is provided for change; break changes into smaller stages; be visible and supportive; appoint winners of change process; **3.** Shared approach: if you get people involved now, it might be too late; co-authorship of change should be at the very outset of preparing change; open and direct communication is a foundation for proper changes; announcing change too soon may be risky; it is better to announce change already in progress, the one which has its committed supporters; **4.** reinforce teams and individuals; people may be willing to take the risk of transition from what is known to something that is unknown if they have self-confidence; build self-confidence through people-oriented style; create a favourable, confident environment; reinforce view-point of the winners (not losers), help people to retain the feeling of team unity (Clarke 1997, pp. 238).

I was able to formulate this decalogue for managing change thanks to the information collected during research and consultations: **1.** Analysing (leader-manager) assumptions for managing a company, modernizing current system of values, creating assumptions for the future vision; **2.** Analysing internal and external environment of the company (analysis, and looking for jeopardies and weak/strong points of the company, diagnosing subjects that could be driving forces of change or our allies in their implementing); **3.** Getting to know the process of introducing change, intensifying communication within the company in order to make employees aware of the need for change; **4.** Within the framework of intensive communication between the management and the staff, assessing who is for and who is against change; **5.** By letting employees express their concerns and their comments, involving them in the process; **6.** Making the assumptions of the vision known to the employees, giving them the chance to make it more specific to match their needs in detail; **7.** Within the framework of creating culture of change we de-frost behaviours and attitudes and, along with employees, create a detailed plan of action; **8.** Arranging information streams by intensive communication to promote involvement, innovations, etc. **9.** Reinforcing new behaviours (freezing); **10.** Creating organizational and cultural reinforcements through proper motivation systems, assessment criteria, career paths, image, organizational changes, etc. in order to provide long-term flexibility to stimuli from the environment.

6. CONCLUSIONS: COMMUNICATE ABOVE ALL!

By showing the model of managing change I have stressed the leading role of social communication in the company. The successful application of social communication is a prerequisite for implementing change in a contemporary company. Bill Quirke proves that in a hierarchical structure of a big company a small number of people have most information. This means that access to information is in conflict with organizational pyramid (Quirke 1996, pp. 114nn). Transition from what is known to what is unknown is connected with risk and insecurity. Active, sincere communication is a remedy to this situation. Another prerequisite for successful change is providing an intensive flow of information not only from the top to the bottom, but also from the bottom to the top, as well as along the horizontal axis of the organization. Informing employees involves controlling the company's future, delegating authority, acknowledging reasons for change, it also serves as a remedy to the fear of change. Complex communication enables employees to articulate their fears and concerns, express their feelings, share responsibility for change. It is a transition from organizational-informational hierarchy to networking hierarchy (Naisbitt 1997, pp. 232–249; STRATEGOR 1995, pp. 387–407). In the first period of introducing change informational ambiguity may occur, and the vision may not have yet been translated into action. Hence the necessity of communicating, in order to be open to information and to co-relate this information with the developing situation (i.e. with the proper moment for change).

7. CASE STUDY: COMMUNICATING CHANGE IN POLISH REALITY: SPRINGING A SURPRISE AND ITS ACCEPTANCE/APPROVAL AFTERWARDS (WRITTEN ANALYSIS OF THE COMPANY MANAGEMENT TRANSFORMATION)

Need for a change. *Forte Serwis* Ltd. was established in September 1997. The management embarked on a change of usual practices and a new concept for managing the company was initiated. The management relied here on its own experience, and also on the services of consulting firms. The company, however, had not met the basic requirement: the need for a change in a company was clearly noticed by the management of *Forte*, but administration and floor workers were not, for many reasons, interested in them at all. There was not enough time to arouse the awareness of the workers to the need for the change. Transformation was executed surgically. A new *Forte Serwis* capital group was created which employed only those administrative workers who had

previously expressed their acceptance of the change. Shop floor workers were offered jobs in the new company but on different terms, both financial and organizational. A big majority accepted that. The whole operation took three days. The question was whether the outcome and effects of such a transformation were successful, and to what extent the new situation of the company was perceived by the staff. How are the employees going to react to any further changes in the company? What difficulties is the management going to face while transforming the company towards chain organization with self-training elements and self-learning structures? What information did the staff get after this decision? Do the workers have any say in the matter of the company (management) requirements, or can they expect good treatment only when they keep up with the changes? Or are they expected to actively participate in the processes of the company's adjusting to the market requirements? Maybe, on the contrary, the employees drew no conclusions from these changes and they simply did not notice them? The question remains: what should be done in order for the staff to approve of the need for change? Is it better to risky embarking on changes rather than to remain in the old and inefficient (from the management point of view), but secure (from the employees' point of view) organizational structure? What measures should be undertaken so that the staff feel fully responsible for self-development? What should be the critical mass of change, so that it was perceived as necessary, impending and desired? Economic realities require quick decisions. New staff, and those workers who remained in their previous positions were faced with different requirements concerning their qualifications, and also were given a set period of time within which they should achieve new goals.

Coalition for change. Organizational change has been executed successfully thanks to determination of the management of *Forte* and also thanks to support from a group of workers. No coalition for change had been constructed before. After the management decided on the course of transformations due to economic reasons, a few preliminary meetings were held with the staff. Also systematic training sessions were initiated whose objective was explaining the necessity for change (in that way the management gained the approval of the staff before any further changes). Then the management embarked on certain proceedings which, however, could have been undertaken before any alterations to the system. Here the question arises: is the management building a coalition for change, but in fact acting against it? The factor of speed of change can be perceived as crucial in such situations. The management has to analyse the possibility of gaining the acceptance of staff in various ways, both within the company and also in other associated structures. These people will have to support the change through their actions and opinions, reinforcing the changes already being implemented and those

awaiting implementation. The management has to be aware of the fact that the involvement of the board is also the prerequisite for success, because it is clearly an important sign to all the employees. However, the management also considers possibilities of quick changes in the aspect of counter-coalitions which emerge in defence of the old *status quo*. A clear picture of the organization after change. The most important features of the new organization were formulated and communicated to the staff in the form of objectives in a letter from the chairman to the staff. This was also communicated directly during talks with the shop floor workers. Approval of these changes by the staff involved many complex issues. That is why it is the objective of the management to reveal the motives behind certain proceedings, in order for the staff to follow the company's policies, and also seeing the interest of the company and its staff behind those actions is crucial. The picture of the company after change should be clear, so that the changes are desired by all involved, and also so that these changes are possible to implement. At the same time the picture should be clear for the managers to allow them to take unambiguous decisions. The picture should be manageable and open for various options that could fit within the framework. The attitude of the management should be consistent in order to serve as a good example. These are very important messages for the staff. Proper behaviours and actions of the middle management are closely watched by the workers. The behaviour of the management which is perceived as reinforcing the change is crucial, but those actions which hinder it are probably even more conspicuous. In order to win this aspect certain actions were undertaken; administration and managers of all the branches were given the task to reinforce the change by proper influencing the staff, partners and customers alike.

Effective communicating the direction of changes and the new organization structure. The question arises whether the way of implementing the change in the company had been right? One can say that if it proved successful the action was proper. Directions of organizational changes and the picture of the organization after the change had not been presented to the staff before. This was done *post factum*. The objectives set are clear, realistic and indisputable; they are identified as being part of the process. The performance of the company after these changes prove they had been necessary; the company cut down on costs, figures improved, workers started making more money, the perception of the company changed for the better, both among workers and also among its clients and associated structures. Workers are witnesses to change. All this proves that the change had been necessary. Are the expectations concerning the change communicated to the staff? Partly, yes. These were communicated especially to the shop floor and maintenance workers. They are expected to identify their work with the company's objectives and its strategy;

it is also expected that they acknowledge the tasks set by the company. The management expects the shop floor workers to contribute to the company actions through their professionalism. All workers are expected to educate themselves so that they can participate in the overall development of the company.

Another question arises: how to reinforce, consolidate and make more dynamic the changes and also how to overcome resistance? What should be done in order not to lose the workers' involvement. The management has to cope with these questions and must be aware of the fact that the speed of change once slowed down is hard to regain. In the case of changes in *Forte Serwis* many people from the outside were involved through the establishment of interdisciplinary teams for realization of training objectives. Also many experts from outside the company were involved. This contributed to keeping the staff in constant awareness. Reinforcing changes is necessary for a long period of time, for it takes a long time for any change to sink in. The majority of staff are not aware of the strong impact the organizational structure has on them. Changes get accepted in the company culture if they bring about visible, positive effects, and that aspect must be stressed here. Also the importance of new attitudes, new conducts and new values need emphasising. Personnel may need to be changed, too.

Diagnosing and detecting problems. The main obstacles for the changes, both organizational and personal, had been detected before taking the decision about transformation. Despite many questions concerning the pertinence of certain decisions there was unanimous agreement about the necessity and direction of change. This determination was clearly articulated both in actions and in decisions. A totally new company was established providing services for assembling kitchen furniture to the producer. The status of the sister company clearly described the role of the company within the firm. It defined goals and mutual relationships. Another far-reaching effect was decision about privatization of "men assembly teams". This involved new working agreements with those teams (similar to franchising). In the beginning only a few teams were involved (firms of natural person status or general partnerships). At the moment a great deal of such firms constitute an organization of chain structure. By the end of 1998 the restructuring of the company should have been completed creating a horizontal chain structure, made up of many autonomous teams, all of these closely connected with the decision making centre.

Planning changes. Assimilating new skills and behaviours. In its overall shape the whole new organization had been planned before the changes were undertaken. The most important decisions concerning changes, mainly personnel, took three days. These, of course, were preceded by a period of consultation. These decisions depended to a great extent on the pre-

transformation situation, a small circle of people taken into consideration based on their merits, specific services provided by the company, and the short period of time to do it. The management were fully aware of the fact that the operation must be executed swiftly, alongside the company's daily routines, and also in such a way that no unexpected commotion should have any affect on customer services. The change planned was quite radical, but at the same time very clear to read by all employees. Its main objectives were well-laid, the future shape of organizational structure pre-determined. The new situation revealed the great importance of organizational change in its cultural aspect. It was crucial because the period of "blissful" social security had dulled employees' awareness of individual responsibility for the company's future. Therefore the company faced the need to make the workers aware of the fact that their well-being was closely related to the company's performance. What do we expect from changes, and how the company and its staff should behave? These expectations were formulated in the company's internal documentation and in the objectives for the assembly teams along with their manuals and procedures. They were also written down in every work agreement. Taking into account the way assembly teams function (autonomously and with no direct supervision from headquarters) these teams were informed about the new basic values of the organization, and these objectives served as clear instructions. They involved:

1. Company goals and business rules of the.
2. Perception of the company, and its name, among customers which influence attitudes within the company and outside.
3. Ways of communication within the company and with the market; conscious marketing.
4. Attitude and services provided by the company for clients, suppliers, public institutions, local community and its workers.
5. Professionalism and pride of the assembly teams.

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