Change Management to Overcome Crises by Implementing Management Systems in Organizations

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Abstract

The modern environment is dynamic and unpredictable, constantly influenced by a series of processes that require adaptation to a changing environment. Changes in the environment can have a negative effect and create conditions for crisis in organizations. A reliable tool for managing change processes in organizations are management systems. The purpose of this paper is to explore and analyse the possibilities of implementing management system standards in organizations to provide more effective change management to overcome crises. Achieving management effectiveness will be determined by the organization's ability to manage information and interpret it correctly, maintain good relationships with stakeholders, create conditions for creativity, stimulate innovation and creative thinking.

Keywords: organizational change; change management; crisis management; management standards; management systems

JEL Code: M12; M14

Introduction

The modern environment is dynamic and unpredictable, constantly influenced by a series of processes that require adaptation to a changing environment. Continuous and objectively necessary changes are an integral part of the life cycle of modern organizations, which requires decision makers to effectively guide change processes and integrate them into the overall management system of business organizations. Moreover, the reaction time to the changing environment is getting shorter and managers need to have more and more competences and up-to-date tools to implement a quick and timely response. The relevance of the issues in this study stems from the need to effectively manage modern business organizations by flexibly guiding change processes. The change of business organizations is linked to their need for survival. Therefore, change management is becoming a standard current management activity that supports the process of adapting the organization to environmental changes and more fully developing its internal potential (Kuzmanova, 2008). The process nature of change management requires a high degree of coordination of efforts, a thorough preliminary analysis of the expected results, effective management of the human factor in order to limit resistance to change, creating conditions to stimulate creativity and innovation in thinking.

Changes in the environment can have a negative effect and conditions are created for crisis in organizations. Crises are associated with changes that may occur suddenly or gradually, but certainly require a rapid response from managers (Ivanova, 2021) and suggest the use of a strategic approach to manage them (Zafirova T. , 2021). They are often the consequence of events that have the potential to threaten the sustainability of the organization and threaten its survival if effective action is not taken by managers. More often than not, crises arise suddenly, are not under the control of the organization, but require urgent action to change. In cases where crises can be predicted, it is necessary to implement actions aimed at adapting to change and using adequate tools to mitigate the risks associated with the manifestation of the crisis - developing plans, implementing standards, etc.

A reliable tool for managing change processes in organizations are management systems. Management systems include the activities through which an organization formulates its goals and defines the processes and resources needed to achieve desired outcomes. Management systems focus on managing the interacting processes required to deliver value and create results for stakeholders. The implementation of management systems are a prerequisite for dealing more easily with the foreseen and unforeseen consequences of the occurrence of potential risks and crises. International

management standards encourage the adoption of a process approach that contributes to the organization achieving its desired results more effectively (ISO 9001:2015). The process approach allows the organization to manage the interrelationships and interdependencies between the system's processes so that results are continuously improved. The application of the process approach requires the systematic identification and management of processes and their interactions so as to achieve the intended strategies of the organization. The management of processes and the system as a whole can be achieved by applying the cycle „Plan-Do- Check-Act" (PDCA) and risk-based thinking.

In this sense, the aim of the paper is to explore and analyze the possibilities of implementing standards in the management system in organizations to ensure more effective change management to overcome crises. Achieving management efficiency will be determined by the organization's ability to manage information and interpret it correctly, maintain good relations with stakeholders, create conditions for creativity, stimulate innovation and creative thinking...

Thesis statement and literature review
Considered in its theoretical essence, change is an objective phenomenon associated with the manifestation of certain differences over time. It is identified a change of a system from one state to another. According to Kuzmanova (Kuzmanova, 2008), it has two essential characteristics: substantive (involving change as an outcome) and transformational (involving change as a process). Changes in the organization as an object of management have certain characteristics: they affect different aspects of the organization's activity; they are determined by factors external and internal to the organization. It is easy for leaders and managers in the organization to assume that change is easy (Smith et. al, 2015), it should not be so considered. Change takes place within an interactive system that is itself in a wider environment. The process of change involves, through observing presence in the system, exploring what works or what doesn't work, studying the forces that can help or hinder movement (Green, 2007). There are a variety of studies on change management in the literature, which are summarized by Smith et al. (Smith et. al, 2015). The need for leadership to define and understand in depth the need for change, identify stakeholders, determine the ways in which the organization is expected to benefit from the change, determine the appropriate actions to address the change, stimulate leadership and support the teams that will implement the change. However good the change plans are, their flexibility must be maintained. Unexpected events and crises tend to occur suddenly and change plans need to adapt quickly to both emerging issues and opportunities.

In the literature, there are many models for change management in the development process of business organizations. Their in-depth study is not in the object of this research, insofar as the concept of change management develops several stages in evolutionary terms (Kuzmanova, 2008). The founder of the concept of organizational change is Kurt Lewin (Lewin, 1951). His work is deeply rooted in examining the way human systems function and the various dynamics within them. His central model consists of three stages: unfreezing, effecting change, and then refreezing. Starting with a status quo, you move things around and then continue with the new status quo. However, there are some key postulates of Lewin that apply to all change scenarios and are universal in nature. What Lewin suggests is that in any human system there are different states of dynamic equilibrium and in order to move from one state to another (the preferred state) you have to redirect the forces at work in the system. Lewin's model is a starting point for all who want to deepen their thinking and develop their change management skills.

One group of models emphasizes problem solving as a tool for managing change in the organization. In them, change management is integrated as a logical transition from the discovery of a problem to its competent resolution. Such models focus on planned change after diagnosing the problems and predetermining the need to take actions adequate to the specific situation. Another group of models are based on the life cycle of the organization. Key is the notion of cyclical

development and ensuring a dynamic equilibrium between the organisation and its environment. The tools for change management are innovation management, investment management, project management and others that allow the transition from one phase of development to another. A third group of models emphasize organizational development and standardization in the organization's management system. In the process of functioning of the organization, patterns of management system behaviour are formed, associated with the use of certain standards aimed at increasing the efficiency of processes in the organization. It can be summarized that the formulated standards should be used flexibly to mitigate risks and problems during the different phases of the life cycle of the organization and to avoid crisis situations that would threaten its survival. Crisis situations are one of the main drivers of change and will therefore be explored in more depth.

The manifestation of the concept of "crisis" has deep dimensions and have been the subject of theoretical research from antiquity to the present day, having undergone various historical transformations over time. Etymologically, the term "crisis" is associated with concepts such as "danger". In English-language literature, the terms "crisis", "emergency" "disaster" are used to distinguish crises. "A 'crisis' can be seen as 'an event that is expected to lead to an unstable and dangerous situation affecting a particular person, group, community or society as a whole'. "Emergency" is manifested as "an extraordinary situation that may cause changes". The term "Disaster" includes physical crises of a natural or technological nature that result in sudden and catastrophic changes. It can be assumed that the content of these concepts gradate as a consequence of the strength of difficulty and complexity of the problems they create. As part of the systems of society, the object of attention in the second half of the 20th century became the "crisis in organizations" or "organizational crisis". In the broadest sense, this means a process that threatens the existence of the organization. To summarize, it can be assumed that a crisis is any event involving danger and leading to instability in which urgent and important decisions have to be taken.

Schoemaker (Schoemaker, 1997) notes that crisis management is a multidisciplinary process. The theoretical concept of crises is based on many sciences - management theory, psychology, sociology, economics, etc. Crises trigger the need for change by affecting the behaviour of organisations and the individuals within them (Zafirova T. , 2014). The concept of crisis management has had a steady evolution over time, especially in the last four decades, depending on changes in the environment. Littlejohn (Littlejohn, 1983) first proposes a scientific explanation for crisis management and assumes that crisis management should consist of a systematic approach so that the organization continues to function normally in its activities. Mitroff and Kilmann (Mitroff & Kilmann, 1984) add that the planning process teaches the organisation how to deal more effectively with hazards and see crisis management as a never-ending and continuous process. An in-depth study of the crisis management process is the monograph by Fink (Fink, 1986) dedicated to the crisis management process. Comprehensive is the definition of "crisis management" by Shrivastava et al. (Shrivastava, Mitroff, Miller, & Miglani, 1988) as a process with a holistic approach that identifies potential impacts that threaten the organization and are a framework for ensuring resilience and an effective response that protects stakeholder interests, reputation, brand and organizational values. American scholar Timothy Coombs explains crisis management as a set of factors designed to combat a crisis in order to reduce the damage done. According to Coombs (Coombs, 2007), Crisis management is a process involving four stages: 1) prevention (attempting to prevent or avoid the crisis); 2) preparation (diagnosing crisis vulnerability); 3) response (applying and implementing actions, testing the crisis); and 4) revision (evaluating actions and crisis backlash). It can be summarized that crisis management is a process in which an organization mobilizes its efforts in resolving a serious, threatening stakeholder or societal issue. Although the main objective of crisis management is to return the system to its equilibrium state (Zafirova T. , 2021), it can be a serious tool for adapting and guiding the organization towards change. In times of crisis, the role of strategic

management of the organisation is enhanced and will require direct intervention and decisive strategic action that may not always be pre-conceived. In this sense, the implementation of standards as a strategic approach to implementing change in the organisation can assist in increasing the effectiveness of the response.

Results and discussion
Changes in the organisation can be of a variety of natures. According to the way the change is implemented the following can be distinguished:
✓ planned change - involving a response based on a thorough analysis of the actions required and the associated difficulties, threats and opportunities;
✓ reactive change - which takes place in response to the demands of emerging problems, threats and opportunities.
According to the time needed to implement the change, the following can be distinguished:
✓ slow change;
✓ quick change.
According to the level at which the change takes place the following can be distinguished:
✓ tactical change - which is implemented in small steps without having an evolutionary character for the organization;
✓ strategic change - which most often leads to fundamental changes of the organisation.
According to the nature of the change, they can be separated independently:
✓ structural change - it is related to a change in the established internal structure, to a change in the system of rights and responsibilities of persons;
✓ technological change - related to change of technique, technology, resources;
✓ Behavioural change - aimed at creating opportunities to achieve pre-designed behaviour.
Depending on the changes in the environment necessitating change, they can be distinguished:
✓ change caused by internal organizational reasons - most often these are structural and technological changes;
✓ change caused by organisational reasons external to the company - markets, suppliers, social organisations, etc.
Depending on the behaviour of the organisation in relation to changes in the environment, the following are distinguished:
✓ active change - usually the change of the environment meets the objectives of the organization and it exhibits more active behaviour;
✓ passive change - usually the environmental change is more aggressive and the organisation has significantly less potential to adapt.
Depending on whether there is resistance to the changes, they can be distinguished:
✓ change in the absence of resistance - most often this change is accompanied by a suitable environment in which there are no major conflicts and it is much easier to manage;
✓ change in the presence of resistance - if the chosen form of change is accompanied by disapproval and resistance to the change process. Resistance is most often a consequence of a desire to maintain positions, differences in assessment of the change, lack of trust in the team implementing the change, lack of emotional attitude to change (Kamenov, 1996), ambiguity or misunderstanding of change, negative expectations of change (Kuzmanova, 2008).
The diverse typology of change implies a diverse toolkit for its treatment and the implementation of different models for managing the strategic behavior of the organization and programming its future.
Changes in the business environment are the most significant aspect in the development of modern organizations. The external environment is characterized by complexity, complexity,

dynamism and uncertainty. Both opportunities and risks are created, which necessitates the search for new management approaches and change management becomes a strategic success factor (Kuzmanova, 2008). The current economic situation is very dynamic. There are technological changes as a result of technological developments and digitisation processes that are changing consumer behaviour and competition. Markets are increasingly influenced by the effects of globalisation, which is significantly changing the conditions for competition. Competition increases the role of strategic foresight (Stanimirov, 2022), economic cooperation is expanding, reflected in new organisational changes. Political instability is growing, the world is experiencing the effects of a global pandemic and energy crises. Protecting the environment and increasing environmental sustainability are new challenges for organizations. Socio-economic systems have changed significantly, making it difficult for organizations to respond to change and determining the future of their strategic development.

The success of modern organisations depends very much on how quickly and rationally they adapt to change. In order to respond to contemporary challenges and crises, strategic management and organizational development imply the implementation of a creative approach, a willingness to take exemplary risks, an orientation towards prosperity-based development and a close alignment in the "goals-resources-institutional environment-business" relation, stimulating learning for organizational change. In choosing a specific strategy for implementing change, multiple factors must be considered, such as:

- ✓ the type and extent of the problems, risks and crises that give rise to the need for change;
- ✓ the speed and scale of change;
- ✓ the specificities of the industry and the pressures of the market;
- ✓ the size of the organisation;
- ✓ the time in which change is likely to take place;
- ✓ the resources available to effectively implement the change;
- ✓ the specific company culture and the qualities and competences of the people in the organisation;
- ✓ the expected resistance to change and the associated risk;
- ✓ leadership style, etc.

Strategic change should not be an end in itself for the organization. The speed at which strategic change is implemented is determined primarily by the degree of urgency of the changes and the organizational culture within the organization. Strategic changes can be: organizational realignment (requiring fundamental changes); radical transformations (requiring major changes); moderate transformations (focused on product and market differentiation and diversification); and business-as-usual transformations (focused on routine activities and functional changes in the organization).

Strategic and organizational change cannot help but be focused on the continuous search for efficiency. In the economics and management literature, there are a variety of metrics for reporting performance that reflect the results achieved with the level of inputs. Efficiency in management is seen in close relation to the organization's system of objectives and lack of quantification can make reporting difficult. Reporting on the effectiveness of change should be considered holistically, provide flexibility and assist in achieving long-term sustainability of the organization. A necessary condition is that the effectiveness of change should on the one hand reflect the interaction of the organization as a system with its external environment and the specificities of managing its internal variables, and on the other hand consider the trade-offs between all stakeholders.

The main elements of the management system that support the processes of implementation of the system of goals of an organization and its effective development is presented in Figure 1.

Change management has a process character, starting from the conception and evaluation of

the need for change, implementation and problem resolution. An effective management strategy is critical to ensure that businesses successfully transition and adapt to any changes that may occur.

Adapted from (Kuzmanova, 2008)
Figure 1. Elements of an organization's change management system

Change processes have a set of initial conditions (point A) and a functional endpoint (point B). A change process is dynamic and develops in stages (Harvard Business School Online). Several main stages in the change management process can be identified: .

1) Preparing the organization for change. For an organization to successfully pursue and implement change, it must be prepared both logistically and culturally. At this stage, the manager focuses on helping the team recognize and understand the need for change. They raise awareness of the various challenges or issues facing the organization that act as forces of change and generate dissatisfaction with the status quo. Getting this initial support from employees to help implement the change can eliminate friction and resistance later.

2) Developing a vision and a plan for change. Once the organization is ready to embrace change, managers need to develop a thorough and realistic plan for implementing it. The plan should include the strategic objectives, key performance indicators, stakeholders, scope of the change plan, etc. While it is important to have a structured approach, the plan should also take into account any unknowns or obstacles that may arise during the implementation process and that will require flexibility and adaptability to overcome.

3) Implementation of changes. Once the plan has been created, all that remains is to follow the steps outlined in it to implement the required change. Whether this involves changes to company structure, strategy, systems, processes, employee behavior, or other aspects will depend on the specifics of the initiative. During the implementation process, change managers should focus on empowering their employees to take the necessary steps to achieve the initiative's goals and celebrate any short-term wins.

4) Implement the changes in the company's culture and practices. Once the change initiative is complete, change managers must prevent a return to the previous state or status quo. This is especially important for organizational changes related to business processes such as workflow,

culture, and strategy formulation. Without an adequate plan, employees may revert to the "old way" of working, especially during the transition period. New organisational structures, controls and reward systems should be seen as tools to help change take hold.

5) Progress review and results analysis. Just because a change initiative has been completed does not mean that it has been successful. Conducting an analysis and review, or "post-mortem," can help business leaders understand whether the change initiative was successful, unsuccessful, or had mixed results. It can also offer valuable insights and lessons that can be used in future change efforts.

Improving the effectiveness of an organization's management system can be done by implementing standards. Standardization ensures the implementation of uniform principles for process management in the organization. Standards are aimed at incorporating repeatable actions and procedures into management decision making. Their main objective is to improve the manageability of the organization and the effectiveness of management. However, it should be borne in mind that the process of developing and using standards should also consider their level of application (Kuzmanova, 2008). They can have a variety of impacts on the organisation and should therefore not be seen as an end in themselves, but as a means to ensure flexible and balanced development and to implement change. For the purposes of the change management analysis, two management standards are examined:

1) ISO 9001:2015.

The ISO 9001:2015 standard (International Standart Organization, 2015) is part of the ISO 9000 family and contains standards for improving the quality of products and services and continuously meeting customer expectations. The standard defines criteria for a quality management system. It is based on several quality management principles, including strong customer orientation, motivation and consequences from top management, a process approach and continuous improvement. The standard ensures the receipt of consistent, high quality products and services that improve business performance and organizational management. In the standard is found a specification of the minimum requirements for an organization's quality management system, which demonstrates the ability to produce products or provide services in accordance with regulations. In order for an organisation to function effectively, it is necessary to coordinate a multitude of related activities through the methodological tools set out in the various international standards (Stoyanova, 2013). The process approach is the systematic identification and management of both processes and the interrelationships between them. ISO 9001:2015 is implemented on the basis of ensuring endless and dynamic PDCA change. The standard has a high degree of integration with other management systems and the benefit of effective integration of management systems is increased personal and professional awareness for teams in the organisation (Pauliková, Škurková, Kopilcáková, Zhelyazkova-Stoyanova, & Kirechev, 2021). In a study conducted by Silva et al. (Silva, Magano, Matos, & Nogueira, 2021) it is stated that the most significant difficulties experienced in managing a quality system are resistance to change, and the availability and participation of all employees, including owners in the processes. Risk-oriented, the standard allows the use of a variety of tools to analyse the risks of the external and internal environment in the organization (Stefanova & Todorova, 2013).

When the organization determines the need for modifications to the quality management system, the modifications shall be carried out in a planned manner. The organization shall consider: the purpose of the changes and their possible consequences; the integrity of the quality management system; the availability of resources; the allocation or reallocation of responsibilities and authorities. Change management in the order of the standard is configuration management, which is associated with output management activities. This perceived as the achieved outcome of the change process, following formal approval of its configuration information.

2) ISO 22301:2019.

The ISO 22301:2019 standard (International Standart Organization, 2019) is the international standard for managing business uninterruptable. It addresses the needs of organizations to manage

security. The standard provides a practical framework for building and managing an effective business continuity management system, aiming to protect against a wide range of potential threats and disruptions, including: technological failures; sudden loss of critical resources; natural disasters; terrorist attacks; other emergency situations. At its core is the idea of achieving social security in the event of incidents that disrupt the day-to-day operations of organizations (Ivanova, 2020). The ISO 22301 standard allows standardization of actions in organizations related to the analysis, assessment and interpretation of various adverse factors and crises disrupting the normal course of activities.

The standard captures the essence of business continuity management, which is the process of implementing and maintaining the capacity to deliver the organizations' products and services in order to avoid losses and minimize the impact of business interruptions. The implementation of the standard has a number of benefits for organizations - it improves their ongoing resilience and certainty in the event of crises, increases efficiency, anticipates responses to potential crisis situations, enables the achievement of continuity of production and the maintenance of the organization's market image. The ISO 22301 standard can play a key role in overcoming crises in the organization and creating an easier transition to change for the organization.

Conclusion

Effective change management is an important success factor in modern business organizations. Exposed to external and internal factors of the changing environment, modern businesses are subject to a number of challenges. There is a continuous need to anticipate changes in the organization due to the changing business environment. Achieving success in the area of change management requires adequate tools and methodology to measure results, combining the interests of all stakeholders.

Change management ordinary follows a specific process. In order to achieve greater effectiveness from the work, questions such as: is the need for change understood, is there a plan for change, how will communication take place, what are the potential barriers, etc. should be sought. While it is impossible to anticipate everything that could go wrong in a project, it is generally a good idea to take time to anticipate potential obstacles and develop mitigation strategies before proceeding.

From an organizational perspective, standards are a powerful decision-making tool. Their efficacy is evident in the increased adaptability of production and the reduced response time to implement change, which ultimately translates into increased competitiveness for the organization.

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