Managing Change and Diversity: between Globalization and Practice

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ABSTRACT

Change and diversity management is important at both individual and organization level. We face challenges related to this on daily basis. The occurrence of the Covid-19 pandemic is a major change that requires responses on individual and organization level, as well as change management. People fear changes and diversity, because they usually entail uncertainty and risk. Resistance to changes and diversity is an integral part of the changes in an organization. Different people accept changes in different ways. While some readily accept this, others react to changes and diversities. There are also people who have difficulties accepting any change or diversity.

We have to be aware of the factors that instigate and initiate changes, which primarily include competition, political, global, economic, social, ethical and innovative forces. Countries and organizations that to not recognize and apply changes in the culture of organization, will increasingly lag behind their competitors, because development is not just a matter of technology, money or market, but is already becoming a matter of culture.

KEYWORDS: organization, change management, diversity, Covid-19, culture

POVZETEK

Upravljanje sprememb in raznolikosti je pomembno tako na ravni posameznika kot organizacije. Vsakodnevno se soočamo z izzivi, povezanimi s spremembami. Pojav Covid-19 je velika sprememba, ki zahteva odzive na ravni posameznika in organizacije ter upravljanje sprememb. Ljudje se bojijo sprememb in raznolikosti, ker le te običajno povzročajo negotovost in tveganje. Odpornost na spremembe in raznolikost je sestavni del sprememb v organizaciji.

Različni ljudje sprejemajo spremembe na različne načine. Medtem ko nekateri zlahka sprejemajo spremembe in raznolikost, se drugi ne odzivajo tako. Obstajajo tudi ljudje, ki težko sprejmejo kakršno koli spremembo ali raznolikost. Zavedati se moramo dejavnikov, ki spodbujajo in sprožajo spremembe, ki vključujejo predvsem konkurenco, politične, globalne, gospodarske, socialne, etične in inovativne sile. Države in organizacije, ki ne bodo prepoznale in uporabile sprememb v kulturi organizacije, bodo vse bolj zaostajale za tekmeci, saj razvoj ni samo stvar tehnologije, denarja ali trga, ampak že postaja stvar kulture.

KLJUČNE BESEDE: organizacija, upravljanje sprememb, raznolikost, Covid-19, kultura

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INTRODUCTION

The Covid-19 pandemic has evolved into a major disaster for the world, population and the global economy all over the world. Covid-19 has undoubtedly proven that neither the national governments, nor international organizations such as the World Health Organization (WHO) were ready to directly and efficiently respond to a lethal global pandemic. In addition to the health aspect of the Covid-19 virus, this was also a test and a challenge for the global world and the globalization process, which is threatened by an acute global economic crisis. The first true indicator of this crisis is the rapid drop in the global prices of oil, which plunged below 30 US dollars per barrel. Furthermore, all the global stock markets have also recorded a major decline. The pandemic has shown that the term "the world is a small village" is no longer just a metaphor for easy and fast communication. In fact, in this century, the world has become an elaborate network of interacting entities. Specifically, organizations and states. While these entities are legally independent from each other, they are interconnected at the global level, which informs cooperation and communication among them.

In the era of globalization, organizations are in a continuous process of adaptation, and therefore in a continuous process of changes. Intensive changes at the global level and the increasingly present pervasion of various cultures will be an additional challenge for the researchers of this complex area, including the recent social and cultural segmentation. At the time of the globalization actions and business operations go beyond national borders. As globalization is a prerequisite for survival of not just large but also small organizations – it leads to global competitiveness.

The key forces of the contemporary environment, which affect the organization and create the new paradigm of management include: globalization, labor diversification, technology and change as a value. (Dimovski et al., 2005, p.66). When it comes to environment, it can be external and internal. The level of uncertainty of the environment is visible through relationships with different parts and groups, which exist between the organization and the environment. If the changes in the environment are minimum or negligible, the environment is considered to be stable. Operations are definitely easier in a stable than a changeable and complex environment. Negotiations are the most

complex form of interpersonal relations and changes in such relations. People have to be educated to be open to changes. Knowledge is a key, while introduction of knowledge is also a change. People are afraid of changes, because they often imply uncertainty and risk. Resistance to change is an integral part of changes in an organization. Different people perceive changes differently. Some swiftly embrace changes, others react to changes, and some have difficulties accepting any change. At the global level there are different forms and occurrences of diversity. Diversity should not be perceived as a threat, but as an opportunity for the organization at the global market.

Introduction of a new culture in an organization through change results in emergence of resistance, which the management should weaken or minimize through its actions. Application of a new culture cannot succeed if the changes are not appropriately presented to members of the organization. It is important to communicate the reasons for changes and the change on the part of employees themselves. In the communication itself numerous obstacles occur, which block the application of culture (Rozman, 2008, p.7). Knowledge is a key for any organization and change management. Organizations based on knowledge are the strongest asset for further development and achievement of top results and competitiveness. The managers should firstly be clear with themselves about what diversity means for them and be motivated to overcome the differentiation by nationality, race, gender, etc. when discussing issues such as education, background of the employees and personal differences. Once the vision of a diversified work environment is modeled, we can analyze the organization and valorize the current culture and systems within the organization. The valorization should be accompanied by readiness to change the *"status quo"* in order to improve the current systems and ways of thinking. The process requires support in overcoming numerous challenges and inevitable conflicts. Development of capabilities of those who have the role of pioneers is important. The managers should not neglect the programs that are important for better availability of jobs to women and minorities (US example) (Dimovski et al., 2005, p.194).

Both outside and inside their respective mother country, successful organizations have to appreciate the factor of culture that is to respect the diversities they encounter, primarily during negotiations and in the subsequent business cooperation. In the globalized world almost nothing is monochromatic or unequivocal (uniform) any more, as ev-

erything is segmented and interconnected with several culture- acultured. The organizations have to incorporate global competitiveness in their strategic goals, as it will be difficult for them to survive if they do not meet the standards established by global competitiveness and competence. As today there are project (virtual) teams whose members come from different cultures, it is necessary for the managers to apply appropriate strategy of motivation that will direct all the members of the project team towards the goal. It is evident that motivating employees in the home country is far simpler than motivating employees outside the home country, where the employees need to not just to adapt to the new company, but also to successfully integrate and accept the elements of a new culture, and therefore different forms of doing business as well.

ORGANIZATIONAL CULTURE

The global economy is increasingly faced with complex changes in the business environment, resulting from the globalization. The globalization is not just a result of economic, political and institutional changes. It is equally a result of major and rapid technological progress, which had facilitated faster flow of goods, services, people and information. Diversity has become an inevitable factor in all segments of society.

The global transformations of the last decade have created an unparalleled need in the United States for expanded international knowledge and skills. Over the last several decades, however, expanding needs, rising costs, and declining investments in international and foreign-language training have led the United States to a dangerous shortfall of individuals with global competence. Specifically, individuals who are "able to understand the interconnectedness of peoples and systems, to have a general knowledge of history and world events, to accept and cope with the existence of different cultural values and attitudes and, indeed, to celebrate the richness and benefits of this diversity." (Hunter et al., 2009, p.273).

Understanding of the organizational culture and its effect on the management is of key importance for lasting success of the organization. This raise the following questions- is existence of one single culture required for an organization to be successful and efficient or is existence of several (sub) cultures more suitable. For any organization the knowledge is the most important production factor. The organiza-

tional culture definitely informs the knowledge management process, which is directly connected with changes and diversity. For people of different origin the notion of culture is important as it includes the daily social and physical environment of an individual and a mix of different effects of life, which inform different individual and social processes. Culture, and the resulting intercultural communication, shape the way of life, life-orientations, define the prohibitions, barriers, taboos, etc. In any society the system of values is defined by culture. The aim is to establish order in the respective society. In order to understand the values by which others live, it is necessary to study the signs of their culture using one's own culture only as an aid, not as a formula, as otherwise one's own culture could represent a measure of perfection.

Hofstede defines culture as the collective programming of the mind which distinguishes the members of one group from another (Hofstede, 1980, p.76). Organizational culture and awareness of the management are exceptionally important for successful implementation of changes. Management is what informs the culture of the company, and without proper management the success of implementation of change is endangered. Many solutions require transformation of organizational culture, and the management has to understand that and define the new standards required by the culture. The culture of the organization, which shares common values, has common goals and is open to change, with an emphasis on the quality and the readiness for embrace new technologies, will contribute to a large extent to successful implementation of changes. The management focuses on the change of the organizational culture through a change in the conduct of the employees in their business operations and in such a way tailor the "*communications and relationships*" element (Martin, Huq, 2007, p.127).

Aladwani (2001, p.270) also speaks of communication as the main strategy through which the management wants to influence the stances and behavior of employees, and notes that implementation of many projects failed due to communication deficiency. Change is a function of two aspects - the person (internal aspect) and environment (external aspect). From the internal perspective, the management wants to know and influence the behavior of employees, and the best way to identify the behavior of employees is to understand their mindset, feelings, previous experiences, needs and values.

The management influences the organizational culture and strives to reduce the reluctance of personnel to changes through appropriate activities such as (Martin, Huq, 2007, p.127):

- sharing facts and information on why new solutions are required (advantages, shortfalls);
- why changes are required;
- which goals, tasks, responsibilities, relations and processes will change;
- what knowledge (expertise) and personnel will be needed;
- which new vision needs to be developed and how it will be presented to employees;
- which new systems of awards and motivation will be established;
- which new systems will be introduced, and which systems will be replaced;
- what will be the new structure or line of reporting;
- which members will form specific groups for solutions;
- will sufficient financial resources be provided so that other projects do not get endangered;
- how many and what changes can be expected in the future with respect to selection of specific suppliers.

In the implementation of skill development programs for the employees it is necessary to develop awareness that people have to be aware of their cultural limitations, prejudices and stereotypes in order to learn to work and live together. Each organization develops its unique culture, which allows its employees to embrace the fundamental values, norms and beliefs related to business operations and their work behavior. Organizational cultures within the same society can significantly differ, because they reflect a business philosophy, values, goals and aspirations of the owners and leaders (Bahtijarević Šiber et al., 2008, p.406). That is why there are different models for intercultural management research. The most famous one was developed by Gert Hofstede, who based his model on the research of cultural differences among various countries.

HOFSTEDE'S MODEL – RESEARCH OF CULTURAL DIFFERENCES AMONG VARIOUS COUNTRIES

The concept of culture is exceptionally important for the management, because the culture determines numerous processes inside, as well as outside, the organization. The dimensions of organizational cultures can be derived from empirical researches which analyze the basic orientation of the organizational culture in individual organizations. Change and diversity management is the key factor of contemporary trends. Globalization as a process is the driver of numerous changes in the businesses as well as lives of people. A multicultural homogeneous society almost does not exist anymore. Numerous migrations have informed the mixing of peoples and different cultures. Political developments that emerged following the collapse of the USSR and the SFRY triggered changes in the functioning of numerous companies. The companies which until then had operated within a single state, after the collapse of these states became transnational companies overnight and continued to operate as such- not by their own will. This required a plentitude of changes in the management, organizational culture, as well as adjustments to laws, local markets and cultures. While at the time of the then joint state of SFRY no significant importance was attached to this aspect, it has now become a reality and requirement. One of the important determinants and advantages of the Hofstede's model is that it entails a comprehensive comparative research of national cultures and introduces a new generally accepted paradigm of value dimensions of culture, development and understanding of intercultural management. Furthermore, more inclusive and extensive (14-28 countries) and less extensive (3-4 countries) researches, which were conducted, confirm the majority or all dimensions of the initial research. It enabled comparison of 74 national cultures. It connects most clearly the dimensions of culture with management and its differences in various countries (Bahtijarević Šiber et al., 2008, p.407). Management, that is leadership, and global leader competencies are key for implementation of changes.

Table 1: Key skills of global leaders

Personal skills	Leadership skills
Global thinking Equal behavior towards persons from different environments Long-term orientation	Instigates and facilitates changes in the organization Models learning systems Motivates employees to excel
Interpersonal skills	**Cultural skills**
Negotiates and approaches conflicts in a cooperative manner Manages the foreign development cycle skillfully Successfully manages multicultural teams and participates in them	Understands values of one's own culture Correctly profiles other organizational and national cultures Avoids cultural mistakes and acts appropriately in other countries.

Source: Cited in Bahtijarević Šiber et al., 2008, p.399

Hofstede conducted the most comprehensive study of culture so far in the period from 1967-1973. It included 116,000 people in 74 countries, employed in the IBM multinational company. His aim was to discover why some concepts of motivation do not function in the same way in different cultural environments. The research was important for the category of associates, as Hofstede identified them, in the area of sales and services (which would be identified as marketing nowadays), and less relevant to the associates in the production and the Research and Development sector (Makovec, Hrastelj, 2003, p. 55). On the basis of this study he designed a model of five dimensions of values, according to which the international market can analyze perception and interpretation of the world by people from different national cultures:

- Power distance refers to the level of tolerance between the less powerful (poor) and more powerful (rich) people. There are different solutions to the issue of inequality among the people in different countries. In societies with a high level of power distance, the power is concentrated in a small group of people, and such a state is accepted or even expected by members of society who have with less power (Keegan, Schlegelmilch, 2001, p.91). Contrary to that, in a society in which there is a low level of pow-

er distance, the power and decision making is spread among the people.

• Uncertainty avoidance refers to the level of tolerance to unsecure and risky situations in life. This dimension indicates the extent to which representatives of a respective culture feel threatened in uncertain and unknown situations. A society with a low level of tolerance favors laws, regulations and rules, which reduce the level of uncertainty (which means that the situations are more predictable). The need for rules is emotionally conditioned in the cultures with a low level of uncertainty avoidance. Contrary to that, in the countries with a low level of uncertainty avoidance rules are set as required, the society more easily accepts the unknown and has bigger tolerance with respect to deviation from norms.

• Individualism/collectivism: reflects the social differences between an individual and society/collective. In collectivist societies the people tend to identify with group mentality, seek harmony in the group and are more dependent on each other and organizations. Some societies emphasize individuality as the main social value, as well as individual civic rights and their freedoms. Individualism is most prominent in the US, while collectivism is typical for South East Asian countries. However, some studies assessed that wellbeing enhances individualism, while poverty enhances collectivism. (Hrastelj, 2001, p.48).

• Masculinity/femininity: refers to gender-based social differences. Masculinity is typical for societies in which gender roles are clearly separated. In traditional and conservative societies there is segregation of jobs into "men's work" and "women's work". Men play a leading role in the society and state; it is important to win and work has primacy. People live to work. Low rating in terms of masculinity suggests that gender differences and discrimination is minor both in business and social life (Hofstede, 2001, p.279). Masculinity is manifested in negotiations, conduct, which boosts ego, and siding with the strong and uncompromising negotiators. In masculine cultures conflicts are often resolved through confrontation, not compromises, which complicates negotiations among negotiators in a masculine culture.

• Long-term orientation: This is an important difference between the Eastern and Western culture. Hofstede added to these dimensions another one- specifically the long term orientation called Confucian dynamism. The Western civilization is more orient-

ed to short-term maximization of profit, which is evident in the example of business operations of multinational companies. On the other side, the Eastern civilization promotes patience as one of the key social values. The long term-oriented societies are focused on the future with respect to saving and persistence, while the short-term oriented societies are focused on the presence and the past (Keegan, Schlegelmilch, 2001, p.91).

The extent to which each of the dimensions is present in the culture of the respective people is defined on the basis of an empirical research.

Table 2: Cultural dimensions of US, Japan and Slovenia according to Hofstede

	Power Distance	Uncertainty avoidance	Individualism-Collectivism	Masculinity-Femininity	Long-term orientation
USA	40	46	91	62	29
JAPAN	54	92	46	95	8 0
SLOVENIA	71	88	27	19	Unknown

Source: Cited in Hofstede, 2001, pp.500-502

Table 2 shows that the power distance for Japan and US is relatively low, which means that their populations do not tolerate concentration of power (hierarchy), and are used to co-decision-making, which means that power and decision-making authority is more broadly spread. When it comes to uncertainty avoidance, Japan is on the top of the list, which means that its population feels very uncomfortable when faced with uncertainty, which the US is ranked rather low, which means that its population more easily accepts uncertainty. As for individualism, the US rank pretty high in comparison to Japan, this indicates that the US population is very individualistic, while the Japanese population is characterized by collectivism. With respect to masculinity, it can be said that Japan ranks very high, and is therefore an extremely "masculine" society, while the US are less masculine oriented and increasingly inclined to equal status of both genders. The long-term orientation is very typical for Japanese (they are strongly oriented to the future), while the Americans are more short-term oriented. In the case of Slovenia, it has a high level of co-decision-making. Slovenians feel very uncomfortable about uncertainty. Slovenians are also more collectivism-oriented than the US and Japan. Slovenia is equally masculine and feminine, that is supports equal treatment of both genders.

Change and Diversity Management

Torrington, Wightman and Johns (1989) underscored that the change management ability is the most important ability in the area of management. Changes define any organization and the process of changing the organization is actually the process of adaptation of the existing organization.

The crisis caused with the spread of the Covid-19 virus has threatened the existence of the globalization process and opened what can be described as the end of one phase of this process. Peter Drucker stated long time ago that one cannot manage what one cannot measure (Bahtijarević Šiber et al., 2008, p.399).
Currently, all organizations are more characterized by the change process than ever before[2]. Hence, it could be safely said that "change is the only constant in the contemporary life of any organization"[3] (Bahtijarević Šiber et al., 2008, p.216).

The emergence of the Covid-19 pandemic can give an additional contribution to the measuring of the globalization that is introduction of new indexes that record changes. A combination of quality analysis and quantitative measuring can be an appropriate model that will respond to the challenges of measuring of the occurrence that is constantly changing and reemerging in new forms, which are yet to be measured and completely understood. There is no ideal model, because any model is subject to changes and upgrades, just as the emergence of the Covid-19 pandemic and its effect on the globalization trends and the structure of change indexes has shown.

The first step to be made for the purposes of successful change management is identification and evaluation of the behavior and stances of individuals/groups. Such an analysis is aimed to provide answers to the following questions (Aladwani, 2001, pp.269-270):

- who are the individuals or groups that oppose or resist the changes,
- what are their needs,
- what are their reasoning, position and values,
- what is their interest.

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2   Sikavica P., Novak M.,pp.535-592.

3   Kreitner R., Kinicki A.,p.656.

Answers to these key questions constitute the starting point for identification of the root causes of why the employees resist introduction of changes, because the facts, the opinions and values of employees are a good indicator of the possible reasons for their resistance to change (Aladwani, 2001, pp.69-270).

It is very important to know how to manage diversity. Managing diversity means maximizing benefits stemming from diversity of employees and, simultaneously, minimizing the possible obstacles that can hinder the functioning of different human resources. Diversity management is one of the key challenges for managers in the XXI century, because diversity is increasingly present, whereas the mission and success of managers will depend on their ability to utilize the available human potential. Global key organizational capability and advantage lays in the synergy resulting from a mix of human resources. People create the competitive edge and competitiveness with their knowledge and skills, which are an inexhaustible source of energy and innovativeness. Therefore, developing a society of knowledge should be a priority for every state. Diversity means that all employees are accepted and treated for what they are. Inclusion as a diversity strategy attempts to embrace and leverage all employee differences to benefit the organization. The external aspect of understanding the human behavior is focused on the surrounding external factors, the resulting behavior and the forces in the environment that affect it. In such a way the management informs the "understanding of business" element and has to undertake the following activities in this respect (Martin, Huq, 2007, p.128).

It is required to ensure the best personnel that will work on changes over a specific period of time. Identify the risks and actions for cases such as a loss of an important group member, exceeding of the budget and deadlines, conflicts and delays related to making of decisions and adaptation, etc. Therefore, the management has a key role to play, because through its involvement, association and support it provides the key prerequisite for successful presentation of changes and the reduction of resistance to change on the part of employees. Of course, there also has to be a monitoring and evaluation process for the change strategy. However, prior to this, an analysis needs to be made and a system established for measuring of the readiness for change in the organization. Organizations are faced with opposition and resistance by the people, who will be affected by the change. Non-acceptance of change by the people is often a reason for failure of a project, and the

consequences can be vast. That is why it is necessary to gauge the readiness of the company for change prior to introduction of changes. Unsuccessful changes are mainly a consequence of human, not technical reasons. In the process of measuring of the readiness for change, two elements need to be checked. Coordination of work tasks facilitates establishment of the changes required so that the employees in the organization accept more smoothly and swiftly, that is embrace and advocate, introduction of changes.

Palmer (2004, pp.35-39) asks the following: (1) can the organization face further changes and (2) is the organization adequately and appropriately prepared. Any organization can face and accept only a certain number of changes, whereas the project will definitely fail if it implies too many changes. When it comes to measuring the first element, the following activities need to be done:

- establish the list of all major activities that are currently underway and that will also require financial resources, human resources and specific attention,
- assess the level of complexity of each project (low, medium, high),
- assess the level of complexity of the current project,
- take into account the current burden on the organization.

The chance of success is assessed on the basis of discussions with members of project working groups. In general, a project is initiated if there is at least an 85% chance of success. If there is no sufficient chance of success, the project should be postponed for a certain period of time, as it is better to have a successful project somewhat later, than to have a stressful and unsuccessful project.

Table 3: Identification of readiness of organization for change

Category	Description	~ 10 %	~ 50 %	~ 90 %
Change management	The obtained sponsor is trying to provide the required resources, gain the support of the leadership and support goals with actions and words.	Nobody is responsible.	Leaders rather known, responsibilities of leadership are clear in specific areas.	Sponsors are clear, responsibilities of leadership are clear, no dilemmas.

Creating environment for shared requirements	Changes are always present, regardless of whether they are urgent or just an opportunity. Requirement for changes has to bigger than the respective resistance.	Majority of people are satisfied with the current situation.	Majority of people thinks that changes are required.	Everybody knows that changes are required.
Shaping the vision	The vision that is the desired end result have to be clear, in line with the framework, generally intelligible.	What vision?	Some agreement on it, what is required.	Everyone knows what results are required.
Providing the required resources for support and wish for changes	Strong support from key personnel, who invest in changes, to ensure that the change takes place. Request and gain the attention of the leadership.	This person could help someone.	We have some designated resources, but need more.	We have all the required resources at our disposal.
The project is already in the implementation phase. Progress monitoring is required.	Criteria for success and designation of responsibilities have been defined and established.	Everyone has his own opinion.	Only some elements have been measured.	Clear matrix for each activity being implemented.
Finalization of the task	Introduction of initial changes continues. The required education and skills are distributed throughout the organization.	"Done and forgotten" principle.	We have developed several plans, but need to move on.	We are ready- pilot introduction, education, identification, etc. are underway.
Identify and strengthen changes in the system and structure	Use appropriate tools t (i.e. result overviews, assessments, use of IT). Changes are strengthened and take root.	Why would we have to make anything?	We have begun to discuss it, but have not yet finished	We know exactly what needs to be done/adjusted for the change to be accepted and take root.

Source: Cited in Palmer, 2004, pp.36-38

The second element, test of readiness of a company for a project, is also done through interviews with each member of the project working group (all categories listed in Table 3). Each category should be discussed in detail so that members of the project working group really understand what is being assessed. The assessments are made using a simple evaluation matrix and a scoring scale varying from 0 to 100 points. Each category is then discussed together and a final result of the scoring is adopted and graphically presented. Such a procedure is conducted for each of the categories. For a successful beginning of a project, at least two of the first three categories listed in Table 3 have to be above 50%, whereas the category of obtaining necessary resources for support and the wish for change has to be higher than 50%. If any of the categories is under 50%, then measures need to be undertaken with respect to appropriate activities or the beginning of the project should simply be postponed until the requirements from Table 3 are met.

One of the most comprehensive approaches is the globalization index, which was developed by the experts in the A. T. Kearney consulting company and the "Foreign Policy" magazine. The globalization index encompasses changes in key elements of globalization in the political and economic area, as well as in the area of movement of people, ideas and information across national borders. The level of economic integration is measured by indicators of international trade, direct foreign investments and portfolio financial flows.

The Stanley Foundation[4] supports research pertaining to global education and considers that global competence includes appreciation of complexity, conflict management, the inevitability of changes, and the interconnectedness between and among humans and their environment. Globally competent citizens know they have an impact on the world and that the world influences them. They recognize their ability and responsibility to make the right choices that will affect the future (Hunter et al., 2009, p.274).

There are different types of organizational changes such as technological changes, changes in products (services), structural changes and changes in the culture/people, which are related to changes in values, norms, relations, beliefs and conduct. (Dimovski et al., 2005, p.166).

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4   American Council on International Intercultural Education Conference. (1996, November). Educating for the global community, a framework for community on International Intercultural Education Conference, Warrenton, VA.

The modern world is characterized by the speed of changes, which is why major importance is assigned to change. Changes take place in any company and the management is the proponent of such changes. That is why the change management capability is most important for the management. If the managers want to be the proponents of changes they have to create conditions and environment for dynamic changes.

Changes mark the life of each organization, and are even a way of life of an organization. Changes in an organization, that is organizational changes, could be defined as the process of changing that is adaptation of the existing organization. According to R.L. Daft (1992) organizational changes imply acceptance of new ideas or organizational behavior (Bahtijarević Šiber et al., 2008, p.216).

Regardless of the intensive technical-technological development the human resources remain the key factor of any company, including changes. We define changes in a company as acceptance of new ideas or conduct of the company. In a learning company two types of changes continuously take place: the operational changes which are based on the efforts of the company to improve its basic parts and processes in different areas of business, and the transformational changes, which include transformation and reform of the entire company. Changes are manageable. (Dimovski et al., 2005, p.162).

Essentially, changes are painful for any company. That is why it is necessary to achieve a broad consensus and involvement of the employees in the changes through various forms of inclusion and motivation. The basic problem of implementation of change finally boils down to the consequences that the changes will cause at the individual level that is for the employees. A change can rarely be implemented without consequences to individuals, because any change affects people and interferes with the existing order of things and modifies them. As a result, very few changes meet all the aforementioned criteria with respect to their successful implementation. However, this should be perceived as something that one should aim to achieve in the implementation of changes (Bahtijarević Šiber et al., 2008, p.219).

It is very important that the management assesses the scope of change that the employees can bear and what needs to be changed and then to implement the changes gradually. This is why change management is a particular challenge for the management. Firstly, it is necessary to

make a realistic diagnosis of the existing situation and then undertake appropriate actions to implement changes.

According to R. Beckhard and R.T. Harris (1987), in order to successfully manage changes, it is important to establish: a clear vision, a clear identity, that is mission of the organization, the level of dependence of the organization on the environment, the scenario defining what the organization should look like after the changes, a flexible organizational structure, requirement for effective application of modern technology and adequate award system in the organization (Bahtijarević Šiber et al., 2008, p. 234).

Different people accept change differently, because changes often imply uncertainty and risk. Resistance to change is an integral part of changes in a company. Some swiftly accept changes, while others react to changes, and some simply have problems accepting any change. It is important to be aware of the factors that instigate and drive changes. These primarily include competition, political, global, economic, social, ethical, innovative forces, and, nowadays, the Covid-19 pandemic. How to control and manage cultural changes? Culture is like wind at sea. Sailing with wind can be faster, less arduous and dangerous, just like cruising along the wind (Tavčar, 2008, p.75).

At the time of globalization, an organization is in a constant adaptation process. In other words, it is in a constant process of changes. A balance (equilibrium) is a status in which the system functions for a period of time. No living system, and a company is a living system, does not remain stable forever. That is why a company has to change and adapt. Changes bring a system into a state of chaos. Specifically, into a state in which old rules no longer apply. Such a state is full of unpredictable processes. Through reintegration such a state leads to crystallization of solutions and structure of the new system, which leads to establishment of a new balance. This cycle is continuously repeating in life of any company. By definition, the very essence of change is the modification of an existing organization. Any change is a process. Hence, a change is a process of modification of an organization. The process can last for a longer or shorter period of time, depending on the type of change and its complexity. According to D.A. Nadler (1998), change is a shift from the current to some future, desirable state (Bahtijarević Šiber et al., 2008, p.217).

The management of change in the transition period is very important, whereas while the length of the transition period should be reasonable, it also important that it simultaneously provides for the functioning of the organization. In this context, it is also necessary to ensure a certain level of stability in the functioning of the organization.

Although changes on their own do not guarantee success, without them there is no survival of the organization. Hence, organizations have to implement changes, and for the changes to be successful they need to be managed by capable managers. The changes are considered successfully implemented if (Bahtijarević Šiber et al., 2008, p.219):

- The organization is shifted from the current to a future state,
- The functioning of the organization in the new state meets the expectations,
- The shift from the current to the future state has not left extreme consequences on the organization,
- The shift has not caused extreme consequences on individuals that are employees.

There is no change without a decisive role of the manager, because they are the drivers and proponents of change. It is of particular importance that the manager assesses how much change (scope and content) the employees can accept and it is expected that the manager is most knowledgeable about the respective changes. There are different kinds of changes, such as adaptive, innovative, radical, peripheral, technological, structural, organizational, etc. The manager must be capable to manage changes. Change management includes establishment of a diagnosis of the current situation and undertaking of specific activities to implement changes.

Majority of people is inclined to resist changes, because they often believe that changes endanger them, as could be expected. That is why the management has an important role and needs to act to reduce the resistance to changes. This is most often done by reducing the surprise factor, engaging the employees in the changes, creating conditions to make a trial test for changes. Due to the emergence of stress related to changes it is also necessary to prepare the activities to mitigate that is eliminate stress. Changes are a result of dissatisfaction with the current state. However, their implementation can be approached in different ways and through a number of phases that is gradually. Essentially, at least three phases- planning, change management and stabilization

phase. Changes in an organization could be perceived also as a change of the state of balance, chaos and reintegration. Balance is a state in which the system functions for a period of time. No living system always remains stable. That is why an organization has to change and adapt. Changes lead any system into a state of chaos that is a state in which the old rules no longer apply. Such a state is full of unpredictable processes. From that state, through reintegration, the solutions and structure of the new system get crystalized, which leads to establishment of a new balance. Such a cycle continuously repeats in the life of any organization (Bahtijarević Šiber et al., 2008, p.217).

Changes essentially represent modification of an organization. For the purposes of implementation of changes the managers have to know the environment and the employees, as well as how to successfully implement changes without any or with minimum conflict. The most difficult period in the implementation of changes is the transition period, in which change management has to allow the organization to both function and implement changes.
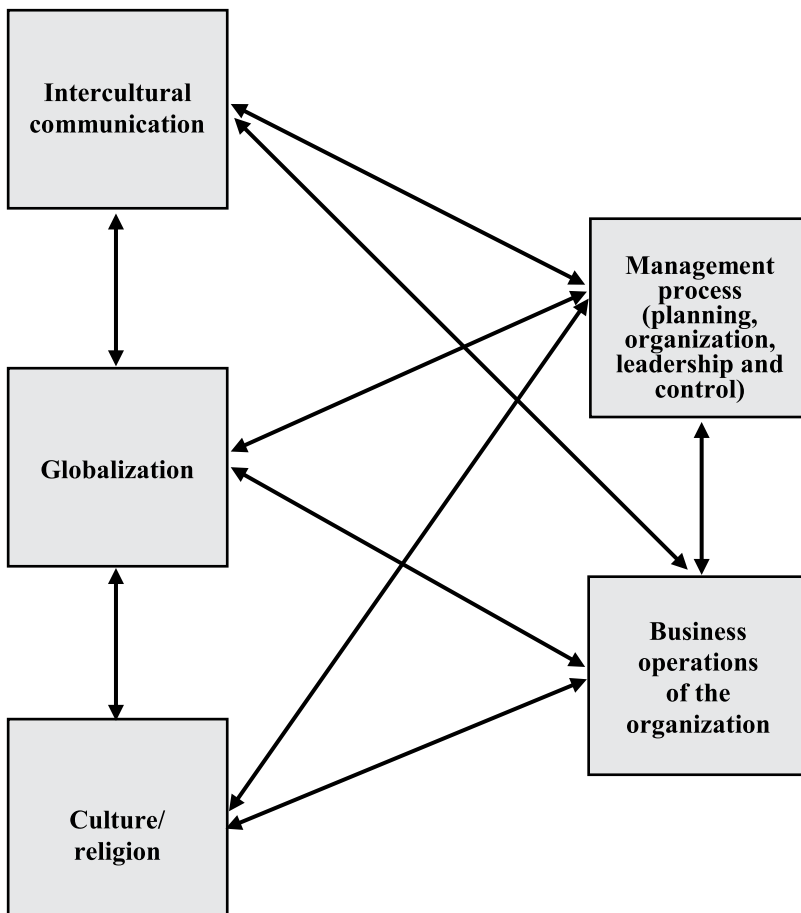
Syncretic Model

One of the characteristics of modern business operations are the rapid changes that require swift and efficient responses to numerous challenges (opportunities and threats). In such circumstances the economies are exposed to constant changes, which require successful change management and new approaches and dimensions to doing business. New dimensions of contemporary economies include innovativeness, flexibility and (in)ability of projection of future developments and trends with a high level of certainty. All the above requires from the management process to seek appropriate business models which continuously need to be updated and modernized due to the accelerated and often unpredictable changes in the micro and macro environment.

Intercultural communication presents diversities and globalization lead to the emergence of syncretism- cultural, religious and social- which reflect on the modern business operations. The modern world is in a continuous interaction. Overtime multiethnic, multicultural and multireligious societies develop cultural/religious and social syncretism as a result of many years of interactions that is customs of individual ethnicities, (organizational) cultures, religions, universal and

individual values and specificities of individual societies, which are characterized by multiple diversities. Numerous occurrences in the intercultural communication and globalization constitute a kind of syncretism, because they emerged as a consequence of a multitude of factors and can be presented in form of one of the following syncretic models.

Image 1: Syncretic model of intercultural communication, globalization, culture/religion, management process and business in an organization

Source: Cited in Bećirović, 2015, p.191

The syncretic model illustrates how intertwined are intercultural communication, globalization, culture/religion, management process and

business operations of an organization. It is a complex dynamical model which is continuously updated and amended. Each of the elements of the model contributes to its modeling through interactions. Intercultural communication could be divided into sub elements such as: what is the specific culture(s), manifested forms of culture, system of values and beliefs in the society, type of communication, proponents of the communication (individuals/groups), media, geographic characteristics of respective cultures, identity, cultural distance, communication context, intercultural communication, internal communication, modernization, post-modern, plurality, traditionalism, extremism, civic freedoms, intercultural conflicts, etc.

Globalization could also be divided into several sub elements, i.e. types of globalization such as economic, cultural, technological, information; phase of the globalization process, possible post-globalism, direction of glocalization, etc. Culture/religion could be divided into the largest number of sub elements, such as: type of culture, sects, sub-cultural groups, level of development, specificities of the culture, language, role of individuals and groups in the culture; relationship of the culture to other cultures and elements, the specific religion, the relationship to religion, the role of religion, relationship to individualism and collectivism, ethics, relationship to ethics, relationship to breadwinning /employment/, relationship to family, benevolence, is it a secular society or not, atheistic, animistic, influence of culture/religion on the way of doing business, daily life, mindset, etc.

The management process could be subdivided into four elements: planning, organization, leadership and control. It can also be further divided into sub elements such as goals, strategy, implementation of strategy, crisis management, competitive advantage, organizational structure and culture, centralization, decentralization, formalization, vertical and horizontal connections, organizational changes and development, future projections, relationship to personnel, organizational conduct, leadership models, motivation, team work, relevance of control, focus of control, feedback models, human resource and change management, management structure, personnel structure, etc.

Modern approaches to organizations refer only to successful and unsuccessful organizations, depending on the optimum combination and management of integral and changeable models of the syncretic model. While the success of an organization can be a success present-

ed in the accounting reports or economic success of business operations, other unmeasurable elements are often also important. That is why measuring, evaluation, judgment and monitoring of success of the individual organization is important. There are different criteria for success of an organization, such as: level of profit, productivity, cost-effectiveness, profitability, economic added value, return on capital, market value of the company, etc. The described syncretic model is limited because it contains just a part of elements. In essence, it is a far more complex model which can be upgraded in further researched so that additional elements can be included as well.

The integral elements of the model are in continuous interaction. All affect each other, and *vice versa*. This is a quality model. It would be beneficial to try to quantify it in the future. As this is a complex dynamical process model it should occasionally be improved through inclusion of other variables that emerge in the increasingly turbulent environment. Furthermore, some elements of the syncretic model need to be further divided into sub elements and other factors, because the diversity is becoming increasingly diverse in practice. Therefore, the model has limitations because it cannot quantify all the elements, sub elements and other variables. It is not possible to accurately establish the share of a specific element against other variables in the model without an in-depth separate research. Anyway, this complex model will need to be further refined and updated, which will be a challenge for future researchers.

Management of change and diversity is a key factor of modern times. Globalization as a process has brought about numerous changes in the businesses and lives of people. Monocultural homogeneous societies almost do not exist anymore. Numerous migrations have informed the mixing of peoples and different cultures, as is evident from the modern migration trends. It is very important to manage diversity. This implies achievement of maximum benefits stemming from diversity of employees and simultaneously minimizing the obstacles that can threaten the functioning of different human resources. Diversity management is one of the key challenges for managers in the XXI century, because diversity will be increasingly present, and the mission and success of managers will depend on their ability to use the available human potential.

Conclusion

The global crisis caused by the Covid-19 pandemic will result in major changes in international relations, including internal political situations in majority of countries around the world. Some analysts are already talking about the lagging and regression of economies of numerous countries and groups such as the EU, OECD, WHO, OPEC, etc. At the same time, they speak about the significant rise of China and some other countries to a lower extent.

Time will show whether the Covid-19 pandemic will have an effect on the world similar to that of the attacks of 11 September 2001 and the resulting US military intervention in Afghanistan and Iraq, which changed the international relations at the time. Because of the fear of terrorism thorough security checks were initiated at airports and border crossings around the world for the first time. The Covid-19 will affect the relations between people and peoples and will be an eye-opener with respect to our vulnerability to epidemics and natural disasters. It will trigger dialogue in the world between those who advocate international cooperation and those who favor isolation and protectionism.

At the time of globalization changes have become intensive and rapid. Therefore the companies that face more readily the organizational changes and manage them effectively will stand a bigger chance to successfully do business and survive economically on the global market of accelerated changes and (re)organization- taking into account the increasing influence of culture.

Successful change management is a complex process which requires a well-conceived management approach to transformation, mobilization and sustainment of organizational structure and organizational culture, which will provide for success.

While understanding and managing people similar to us is a challenge, understanding and managing people who are different from us and each other is a colossal challenge.

An organization that manages, in the future, to ensure that its personnel is able to respond to and implement swift changes and manage diversities, while simultaneously fulfilling the goals and the strategy of

the organization, will stance a chance to succeed. Without appropriate human resources no organization can be successful and successfully implement the required changes.

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