

LEVEL OF TOLERANCE TO CHANGES IN VOJVODINA ENTERPRISES

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Abstract

The aim of the paper is directed towards researching the degree of resistance to changes in small, medium and large enterprises in Vojvodina. In accordance with the theoretical analysis the subject of the empirical part of the paper is the analysis of tolerance to changes in small, medium and large enterprises in Vojvodina, conducted on the basis of a questionnaire about tolerance towards changes by S. Marušić. The results of which are obtained show that: the most tolerant to changes are large, followed by small and medium enterprises. The scientific goal of this paper is that on the basis of the results obtained conclusions and examples of good practice are made that can contribute to the study of resistance to changes in small medium-sized and large enterprises. The practical aim of the research is the application of the results of resistance to changes in small, medium and large enterprises, for more efficient implementation of the process of changes in organizations.

KEYWORDS: *tolerance, resistance to changes, change management in SMEs and large enterprises*

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Introduction

The main characteristic of modern social and economic life in its every aspect are changes. Managing the process of change within companies is one of the key elements in establishing and improving the quality of products and services in the new economy (Arsenijević, 2012, pp. 1269-1275). One of the conditions for the creation, functioning and development of SMEs is the relationship between government and public opinion according to the role, importance and problems of small and medium-sized enterprises (Kastratović et al., 2013, p.51).

However, equally important are the willingness and ability of employees to be actively and adequately involved in the process of changes, as one of the significant factors affecting the efficiency, profitability, reputation and survival of the organization.

Theoretical bases

Defining organizational changes

Change management can be defined as the process of changing or modifying an existing organization. Organizational changes have their pace and dynamics of development. Both in theory and in practice it is now considered that changes, rather than stability, are the natural state of the organization. The changes are the cause of development, and sometimes the cause of failure (Čabrilo, 2010, pp.75-81). People tend to resist changes, wanting to preserve the behavioral routines and procedures (Lojić, Đurić, 2011. p.307).

Change management is the process, tools and techniques to manage the people-side of business change to achieve the required business outcome and to realize that business change effectively within the social infrastructure of the workplace (Hiatt, 2013, p. 64) numerous theories explain the basic cause of human reactions to change (Grubić-Nešić, 2010, pp. 331-345). However, research shows that people who react negatively to changes, feel that they have something endangered, something that they need or something they consider valuable (Arsenijević, 2011, pp. 6278-6285) Since the social environment is subject to constant changes, this means that the underlying assumptions that were valid yesterday, can even tomorrow become invalid and can easily go in the wrong direction (Kastratović, 2008, p.22).

Defining Small and Medium Enterprises

The definition of micro, small and medium-sized enterprises, according to the standards of the European Union is based on the recommendation of the European Commission. (Official Journal L 124, 2003, p. 36). In order for a company to be recognized as a micro, small or medium it should meet two conditions: The requirement on the number of employees – the number of employees in the company should be within the specified limits; One of the two financial indicators: a. the total annual revenue should be less than or equal to the allowed, b. the total assets/liabilities should be less than or equal to the allowed.

According to the Accounting Law of Republic of Serbia, (2013) the companies should meet two of three criteria to be categorized as small or medium-sized enterprises:

Table 1: Criteria

Criteria – Serbia	Small	Medium
Number of employees	< 50	From 50 to 250
Total revenue	< € 2.5 mil.	€ 2.5- 10 mil.
Total assets (assets)	< € 1 mil.	€ 1-5 mil.

The review of the condition of companies in Vojvodina for 2014.

Based on available data, we can conclude that the calculation of macroeconomic aggregates covered 93,150 companies in the Republic of Serbia. On the territory of Vojvodina there were 24279 companies in 2014, of which: 21094 micro, 2472 small, 583 medium(Department of Statistics of RS, 2014).

Empirical research

The research subject and objectives

In line with previous theoretical analysis the subject of empirical research is the analysis of tolerance to changes in small, medium and large enterprises in Vojvodina. The main problem is to determine the overall level of tolerance towards changes and three aspects of tolerance: the aspect of tolerance of accepting novelties, new and unexpected situations, the aspect of skills of managing in the complexity of a large number of unsettled and incomplete information, the aspect of ability to manage in the aspect of solving the unclear situations in which decisions should be made in companies.

The result that can be considered as an average tolerance is 3, everything below it is insufficient, and above is satisfactory or excellent (Marušić, 2000, p.205).

The research tasks

In order to prove or disprove the research hypotheses, it is necessary to implement the tasks of research. Necessary within this paper is: examine the tolerance to changes of employees in organizations being researched; examine the tolerance to changes in various aspects; establish whether there are differences in tolerance between the examined companies; establish whether there are differences in terms of demographic characteristics of the respondents in the surveyed enterprises.

The research hypotheses

Based on the subject and objective of the research the hypotheses were defined.

The basic research hypothesis H0 started from is as follows: We assume that the total tolerance to changes in the examined companies in Vojvodina is at a satisfactory level.

The auxiliary hypotheses:

(H1) We assume that tolerance to changes from the aspect of tolerance to acceptance of novelties in the examined companies, and according to type, is the highest in small enterprises.

(H2) We assume that tolerance to changes from the aspect of the ability of managing in the complexity of disordered, incomplete information in the examined companies, and by type, is the largest in large companies.

(H3) We assume that tolerance to changes from the aspect of resolving unclear situations in which decisions should be made in the examined companies, and according to the type is the lowest in medium companies.

The research methods

The qualitative and quantitative approaches were combined, the so-called triangulation method. The techniques and instruments were selected as part of the descriptive research method. The analytical and synthetic, and statistical method was applied. From research techniques in the process of collecting data, we applied: interviewing, surveying and scaling. The instrument we used is composed from the questionnaire for determining the level of tolerance to changes (standardized questionnaire from the book "Human Resource Management" by Sveto Marušića.

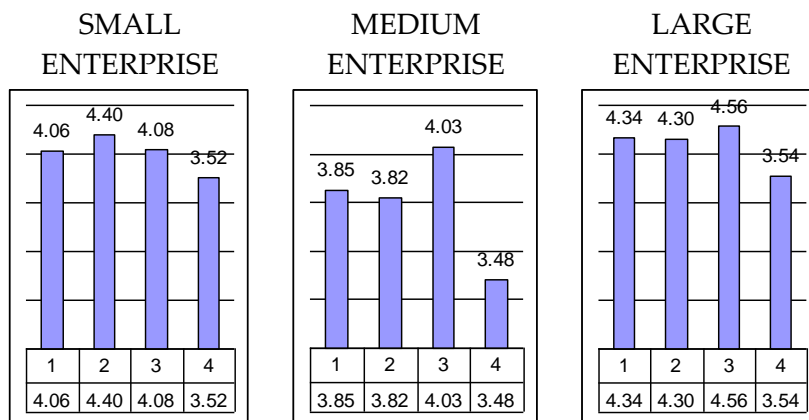
The research sample

The sample consisted of employees of both sexes, aged twenty to over fifty years, of different length of service, as well as of different levels of education in the three categories of companies - small, medium and large. The research covered a total of 752 respondents from all categories of enterprises. All three categories of enterprises are based in Vojvodina. The sample adapted to analytical needs of this research, is deliberate. Surveying of respondents was conducted in the period from 24.05.2012 to 27.05.2012.

The research results display

We have obtained the results based on the questionnaire analysis. The questionnaire "Tolerance towards changes" was analyzed according to the given key by Marušić (2000, p.205) of the model where the results are observed from four aspects: the overall level of

tolerance towards changes, tolerance to acceptance of novelty, the ability of managing in the complexity of disordered, incomplete information, the situations in which decisions should be made. The questionnaire contained 16 questions which were analyzed and processed according to the given key. Distribution of answers according to the key, and the total result of tolerance to changes is given in the following Graph 1.



Graph 1: Total result of tolerance towards changes

The overall level of tolerance towards changes is 4.06 which is an acceptable result considering that it is the result which can be considered an average tolerance of 3.00, anything below that is insufficient, and above is satisfactory, or exceptional. In the case of small enterprises, we can say that the overall tolerance to changes is satisfactory. Tolerance to acceptance of a novelty is 4.40. The ability of managing in the complexity of disordered, incomplete information is 4.08. Solving the situation in which decision making is needed is 3.52.

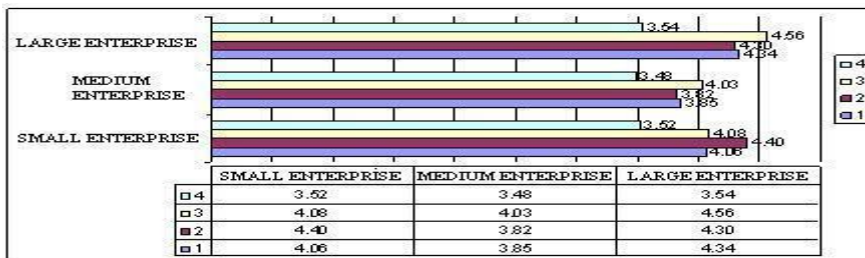
In the medium enterprise the total level of tolerance towards changes is 3.85, which is also an acceptable result considering that it is over 3.00. In the case of medium-sized enterprises, we can say that the overall tolerance to changes is acceptable. Tolerance to acceptance of a novelty is 3.82. The ability of managing in the complexity of disordered, incomplete information is 4.03. Solving the situation in which decision making is needed is 3.48.

In a large enterprise the total level of tolerance towards changes is 4.34, which is also an acceptable result considering that it is over 3.00. In the case of large enterprises, we can say that the overall tolerance to changes is more than satisfactory. Tolerance to acceptance of a novelty is 4.30. The ability of managing in the complexity of disordered, incomplete information is 4.56. Solving the situation in which decision making is needed is 3.54.

The respondents in large companies showed the greatest overall level of tolerance. They also showed the highest tolerance in coping with the complexity of disordered, incomplete information and the lowest in solving the situations in which decisions should be made.

Discussion

Based on the comparative results shown in Graph 2, we can conclude that the employees in large companies are the most tolerant to changes.



Graph 2: The result of the overall tolerance to changes, comparative review

Based on the comparative results shown in Graph 2 we can conclude: the employees of large companies have the highest overall level of tolerance to changes; the employees in small enterprises have the highest level of tolerance to acceptance of novelties; the employees of large companies have the highest level of the ability of managing in complexity of disordered, incomplete information; while the value of the results of the ability of solving ambiguous situations in which they need to make decisions is equal in all three forms of enterprises where still the highest score is shown by large companies; the situations where decisions should be made in all three forms of enterprises is equally low, still the lowest score is indicated in medium enterprise.

From the results we can conclude that: 1. From the aspect of the overall tolerance in the first place is the large enterprise, followed by a small and the medium enterprise showed the lowest result. 2. From the aspect of tolerance to acceptance of novelties in the first place is the small enterprise followed by large and final is the medium enterprise. 3. From the aspect of the ability to manage in the complexity of disordered, incomplete information in the first place is the large enterprise followed by the small and medium enterprise. 4. From the aspect of solving the unclear situation in which decisions should be made in the first place is the large company.

Based on the comparative results shown we can further conclude: the employees in medium-sized enterprises have the lowest overall level of tolerance to changes; the employees in medium-sized enterprises have the lowest level of tolerance for the acceptance of novelties; the employees in medium-sized enterprises have the lowest level of the ability to cope in the complexity of disordered, incomplete information; while the value of results in the ability of solving unclear situations is the greatest in large enterprise followed by small and medium enterprises noting that the differences in results are almost negligible.

Following the presented research findings, we approached to establishing their compliance with the set research hypotheses.

The H0 assume that the total tolerance to changes in the examined companies in Vojvodina is at a satisfactory level is confirmed. The auxiliary hypotheses set at the beginning of the research were also confirmed.

Conclusion

Considering the trend applied to more frequent and faster processes of changes both globally and in our country, as well as considering the results of the research we conducted, the activities that would be appropriate to implement in small, medium and large enterprises are as follows: raising awareness about the necessity for changes in companies, raising awareness about the benefits of innovative changes within companies, creating a clear vision and strategy in the process of changes, the inclusion of employees in developing this vision, communicating the vision should be a common activity of all employees, conducting detailed analysis of market needs for the purpose of assessment of the justification of entering the process of changes, developing strategy of changes, a detailed analysis of existing capacity, reorganization and management training. The proposed measures that would contribute to reducing resistance to changes through the inclusion of employees into teams: set high demands at work and challenging goals, the existence of participation in goal setting and decision making, certification and presentation of the abilities, division of labor by the strongest qualities of the team members, the consolidation of benefits achieved through changes and the launch of further changes, monitoring and improving staff competencies, determination of the possibilities of employees' progress, implantation of innovative approaches in the culture of the organization.

The contribution of this paper can be also reflected in identifying a new level of accountability of managers in the Republic of Serbia. To what extent will the companies be successful in the process of transition and changes depends and will even more depend in the future on the managers leading the companies.

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