

MOTIVATION AND DECISION-MAKING PROCESS IN MANAGING CHANGE WITHIN THE ORGANIZATION

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Abstract

This article is about the importance and relevance of the changes for the organization. At first it is necessary to define the term decision-making and motivation, because both of them relate to management of changes. Decision-making is the most important function of management and the decision may mean that more or less change is needed. Employee's motivation influence decision-making process itself and change management. Motivated employees more easily accept the planned changes and they are more inclined to improvement proposal. Organizational changes are not implemented without problems. Often there are barriers that may negatively affect the planned changes or prevent their realization. In conclusion, it is suggested the importance of removing barriers that relate to the personality of employees or the functioning of the organization. Motivation is an important element in any change in the organization and influences the whole process of change management and the organization itself.

Employee motivation affects the level and quality of changes in the organization, and conversely a change in the organization can lead to silencing or enhancing employee motivation. The motivational program as a tool for influencing motivation should be a part of the organization as a precondition of success of the implementation of future changes. Because only motivated employees are satisfied employees. Continuous assessment of motivational factors and by varying forms of motivation is not only increases work efficiency, but also strengthens the relationship of employee to the organization. Such employees are flexible in the future and better accept changes.

Key words: motivation, decision-making, process, change, organization, motivation program.

Classification JEL: M12 Personnel Management

1. Introduction

In time of crisis today's organizations going through big changes. These are mainly related to the motivation and decision making of an effective strategy to motivate. Great emphasis is to implement changes in the organization to improve their competitiveness and profitability. To be able to survive, organization must constantly adapt to circumstances and events that occur in the near and distant surroundings. Since it is not only important to the survival of the organization, but also its further development, it is necessary to make adjustments while overcoming problems associated with change.

Changes do not come alone, but through people. In some cases, people do not realize the need for change. This is mainly because they run in the principles and procedures satisfactory and to them. Present, however, requires a change in thinking in particular because it is the first pulse to changes in organizations.

Decision making is an integral part of our everyday life. In the organization, it is particularly associated to work activities and work motivation. The decision always brings changes with it that may be classified from small ones, not too significant, to the corporate ones. The correct decision making and motivating of decision makers about changes in organizations can ensure effective work with information to understand better the importance of change and rapid implementation in practice.

2. Decision-making and motivation

When defining the content and main of work in management, the most striking part of this activity is a **decision-making**. It is one of the most challenging and also the most important

management functions. Very important role have just people who are decision-makers. Result of decision-making process depends primarily on their knowledge, experience, skills, subjective attitudes, values and etc. Quality of management is largely reflected by the quality of implementation of decision-making activities.

The essence of the decision by Majtán (2001, p. 75) „addressing decision-making situations (problems)” and its main function is „choosing the best option among the variants”. Organ, Bateman (1991) understand the decision as a set of activities involved in diagnosing the problem and developing alternatives and choosing one of a set of alternatives. According to Ivancevich and Matteson (1987) the quality of decisions that managers achieve, is a measure of their effectiveness.

Analysis of decision-making simplifies the orientation and decision-making problems and under Keeney and Raiff (1976) it is a prescriptive approach, allowing an average intelligent people to think systematically about complex, important and real problems. This means that it provides some guidance for systematic thinking in solving complex problems of decision-making.

Decision making and motivation are interdependent and mutually influencing. Decision making is a process which affects the outer and inner motivation of the decision maker. Motivation also has an impact on the final wording of the decision. And this applies also vice versa, and each decision stage of decision-making may have a direct or indirect impact on the motivation and tools can positive influence motivational levels of employees, for example through a properly motivational program. Motivational program is one of the internal materials and it can be understood as part of a secret of organization. Its work should be based on best knowledge of the situation in terms of organization and human resources and vision of the company. A manager may affect the motivation of his staff by evaluation, remuneration in the different form, planning their careers and so on.

„Throughout life, no one’s ability is as beneficial as the ability to positively motivate,” (Ivancevich, Matteson, 1987, p. 58). It means that it is necessary and need to ask the director certain requirements. Only one who is himself motivated and who has certain abilities and characteristics, can effectively motivate. Creating positive incentives are not enough. According to Forsyth [4] a positive incentive should be connect to tasks to be carried out and the whole process will be set up so that was bearable after page of financial and time.

The motivation under E. Letovancová (2002) shows:

- access to tasks,
- access to the activity,
- access to the circumstances in which work is in progress,
- access to the results of this activity.

The result of the decision making process is a final decision, which results in a certain system to the decrease of the level of uncertainty. It is necessary that they have relevant and adequate information to support the substance of the decision. Organization decides in case if there is a problem that needs to be resolved. Then there are two alternatives. The result of decision-making process may be finding that change is not needed and that the status quo is satisfactory. A second possibility is that the change in the organization is essential and necessary (Figure 1). Often used the term „the only certainty is change“, is justified. This is because the organization, which does not change, lags behind.

Each organization is evolving, and therefore it is necessary to decide about changes. Changes in the organization can cover various areas, e.g.:

- „changes in organizational structure,
- changes in technology, work practices,

- changes in job profile, and related
- changes in the number and structure of employees.

The issue of change affects all components and processes that take place in the organization. The most significant concerns:

- planning and **decision-making** as the starting point of changes,
- communication and **motivation** as a process, without mastering the process of change which may be objectionable or terminate it if necessary”, (Letovancová, 2002, p. 125).

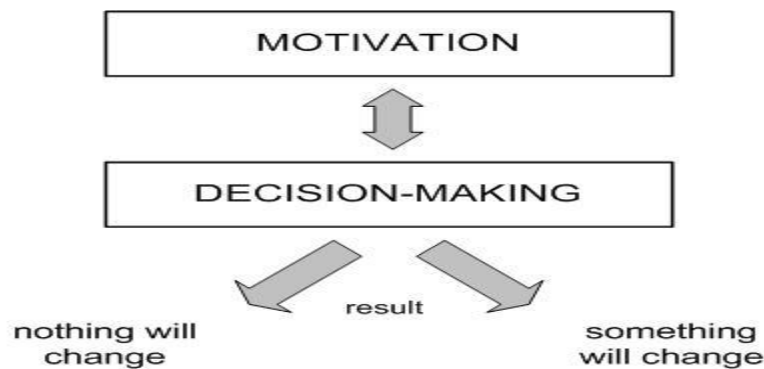


Figure 1: Results of decision-making

Source: own study

3. Organization and change

Improving the efficiency of different organizations can be larger or smaller adjustments, which we call changes. Change in the organization is not a single act. This is a complex process that requires the implementation of many activities and actions. Through them it will be ensure effective achievement of the objective changes. Change must be planned and managed.

Preparing the plan changes are needed to involve those people, whom will change involve. The planning of the changes is detailed, accurate and comprehensive analysis of the problem, its causes, determining factors and forces affecting the introduction of changes. Emphasis is given to innovation and creativity. Goal is to come up with something new. Often it is not necessary from scratch to develop new solutions, because the changes are already being applied elsewhere. Just know about them and use them. It must be noted that transmission requires creativity and adaptation to the conditions, which vary. In planning appropriate responses and decisions are taken into account the following issues:

- What would be new measures to achieve?
- Will be the new situation different from the present?
- What is the probability that the effects of changes will be permanent in nature?
- What difficulties can I expect?
- Who will be affected by change?
- When is the best time for a change?

Managing change is a process that begins with awareness of the need for change. Analysis of this situation and the factors that caused it, leads to the diagnosis of its specific characteristics. Subsequently, is the direction determined in which further steps will be taken. It is also necessary to decide what roads will be chosen so that the organization has received in the desired position. Just the transition period is a critical stage in the process of change. There are emerging problems introducing changes concerning, for example some people's resistance to change, low stability, high stress levels, energy focused in the wrong direction, the emergence of

conflicts, loss of incentives and the like. It is therefore important to anticipate reactions and likely barriers to the introduction of change.

Edgar H. Schein (1980) formulated the five assumptions of change:

1. Any process of change involves not only learning something new, but unlearning something that is here and is likely to be well integrated into the personality of the individual and social relations.
2. No change without motivation. If there is no motivation, the toughest part of the process of change is arousing motivation.
3. Organizational changes as new structures, process and pay more, it happens through individual changes in key members of the organization.
4. Many significant changes include the attitudes, values, self image unlearning the current reactions are naturally demanding and encounters resistance in humans, whether they realize it or not.
5. Change is a multilevel process similar to the process of adaptation to cope with, and all levels must be stable before introducing change, some manner discussed with the participants.

In terms of readiness to change people can talk about two situations that affect it. Forces inside the worker constitute the knowledge, skills, confidence, resistance to stress, but in particular motivation and self-esteem. These are influenced by forces within the system of organization – the existing culture and climate and organizations responding to the success and failure in general, „customary structures” (Tyson, Jackson, 1997).

Incentives and motivation are very important in the changes in the organization. Creating incentives for workers is a complex process that involves several mechanisms. They must all act to feel motivated individual and has taught the current behavior or attitudes. It must be clear why it has to change and what he will have of it.

The process of introducing changes to several phases (Figure 2):

1. **Project part** – represents the initial phase in which we realize the need for change. In the organization may be the unplanned event you need to react or the change is planned and builds on the past. Changes in the organization can be divided into small groups and corporate. Little change is a change in gray in organization relating to an employee or job. Group change involves predefined groups in the organization and corporate change represents the biggest change. This change requires more than training, must be precisely planned and defined. Its importance to the organization as a whole is the biggest, because its purpose is primarily to streamline work and increase the profitability of the company.
2. **Information part.** The next phase involves various forms of information to interested groups of employees. In the case of a minor change is possible, subject to change, i. e. immediate supervisor informed his subordinate to change the form of consultation, discussion or illustration. In the case of a change for the group of employees, group leaders convened a meeting at which everyone is aware of the change in the organization. Employees are provided with all documents to study, or demonstrations. If corporate change the director shall inform managers about change e. g. through campaigns (leaflets, notice boards, radio) are informed and they also informed individual employees. In this case, changes can not be implemented at once, but gradually, because a significant change requires sufficient time for its preparation and introduction into practice. An important part of the change process that directly affect its effectiveness, is communication. If change is to be effective, two-way communication is needed, which is not only informative, but in particular motivational significance. In it are reflected values, group’s standards and organizations.
3. **Implementation part** – when you change abolishing the old roles, relationships and new onset. It is therefore necessary specifications that define the activities and formal relations

and simultaneously define the responsibility. The specification is specific, it is successful. Moreover, it is useful in preparing training programs and control mechanisms. Successful implementation of the changes is reflected in satisfaction, a good group atmosphere, the administration expected performance.

4. **Evaluation part.** The final phase is the evaluation phase. It is a feedback and evaluation of success established by changes in the organization. It's an ongoing process that evaluates the lessons learned from practice and suggests possible small changes in the course of implementation. The assessment result can be that change was implemented successfully and achieved the set objectives. Alternatively, the assessment may determine that the change was successful and if it is necessary to review all the entries and find adequate solutions to new situations.

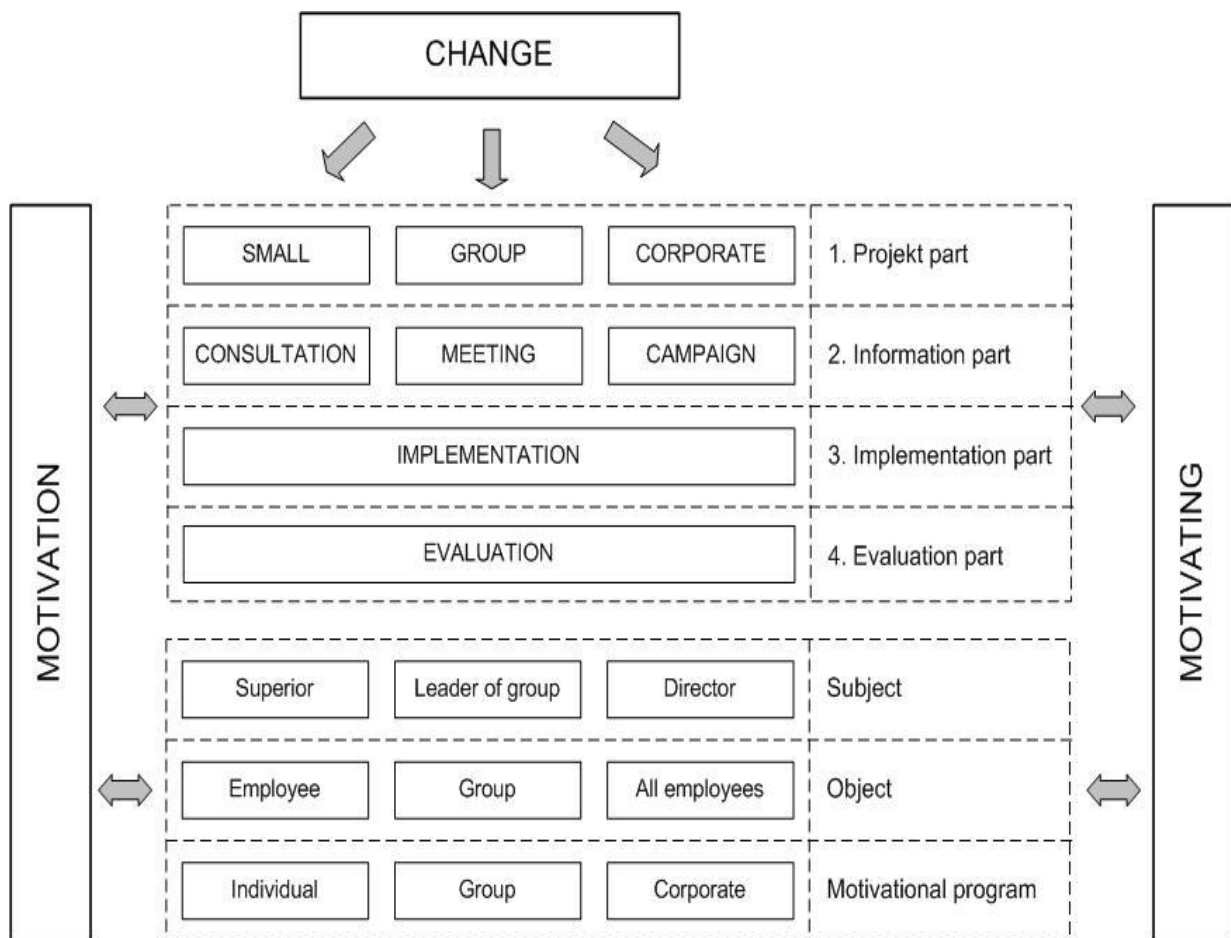


Figure 2: Phases and the kinds of changes in organization

Source: own study

To changes in the organization also influence motivation and motivating employees. If you want to report the best performance and not to be afraid of changes, it is necessary to motivate them. This may be through well-set motivational programs that can be set directly to those employees or groups of employees (individual, group and corporate motivational program). The different forms of motivation included in the motivational programs are the best form of removing barriers that impede the proper understanding of the meaning of changes and their impact on the future development of organization.

4. Barriers of changes in organizations

Implementation of changes in the organization is the most difficult stage, because each project of changes was made in a particular environment with specific people. Resistance to change is a natural phenomenon. Resistance is often based solely on alleged concerns, not the actual problem. Barriers to make that possible changes implemented can be divided into (Figure 3):

1. **Personal.**
2. **Organizational.**

Personal barriers are particular concerns that come from the man's within. They are different for individual employees and their level is then reflected in the quality of decisions. In the organization is very important that managers are able to correctly estimate the response and conduct of their subordinates, and especially good to know ourselves. Any decision in practice entails some risk of failure. It is therefore necessary that managers are able to properly distribute the assigned tasks. Since then, it depends to how and to what extent, the change will be correctly understood and implemented.

People most often contradictory changes when they can not see a sense, do not feel the need to present the situation has changed. They fear that disrupt their work habits and work relationships. Other personal barriers we include in particular:

- a) *Fear of failure* – may accompany a person throughout life. It is a fear of something new, or the role they have performed. It is coupled with the fact that in the event that we fail to achieve what is expected from us, we will bear the consequences of that.
- b) *Fear of the unknown* – in the case when given task itself has a lot of unknowns, which may surprise us, causes us concern in that we can not do, because we do not have enough information.
- c) *Fear of loss* – employees fear that change will not benefit them, but rather lose certain benefits, powers...
- d) *Fear of power* – the new responsibilities, new work tasks, the new job.
- e) *Fear of the impact* – it follows that it will be necessary to make decisions that will affect other activities of business practice and will carry with them the risk of failure.
- f) *Dubiousness* – doubt and uncertainty changes, employees do not know what to expect from the change.
- g) *Ignorance* – in the case of insufficient information, it is fear of the unknown, of new things, technologies, practices that have not been applied in the organization.

Organizational barriers include the barriers that come from within the organization and its various activities and resources. Up to 80% business change projects that are aimed at improving the functioning of the business process is unsuccessful. The experience of many business reasons can be summarized as follows (Warnecke, Košturiak, Debnár, Gregor, Mičieta, 2000, p. 100):

- a) There is *no strategy change* – the organization does not clearly analyze the state in which it is located, does not have purpose of a revision if not the exact process to achieve the change.
- b) *Lack of knowledge*, experience and especially lack of support from top management of organization, because that company management must be an engine of change.
- c) *Unbalanced strategy change* – means that changes are carried out only in some selected parts of the organization, i. e. isolation, where it can be demonstrated effects as quickly as possible, for example reduction of personnel and the like.
- d) *Bad communication* – if the draft amendment adopts only a certain group of employees may lead to wrong conclusions. It may be that missing some information about changing or creating goals and the various rumors and braking mechanisms.

- e) *A formal approach* – if a majority of employees does not changes too seriously, because before nothing finished until the end. Staff believes that the change occurs.
- f) *Lack of personal resources* – absence of correct respective roles of leaders who would be able and willing to lead subordinates in such way as to achieve the set objectives, adhere to schedules and costs.
- g) *Lack of financial resources* – influences whether possible changes in the organization to implement or not. This is particularly important for major changes that require money to implement them.
- h) *Too old technologies* – no conditions for the implementation of new technologies and not enough financial resources to purchase them.

Basic conditions for successful change can be following (Warnecke, Košturiak, Debnár, Gregor, Mičieta, 2000, p. 101):

1. Want (the motivation of people at all levels of the organization)
2. Know (knowledge of methods and procedures by which such changes can be managed)
3. Can (create an organizational framework for implementation of planned changes).

Where are the following three conditions, the change can not be wholly planned and implemented properly.

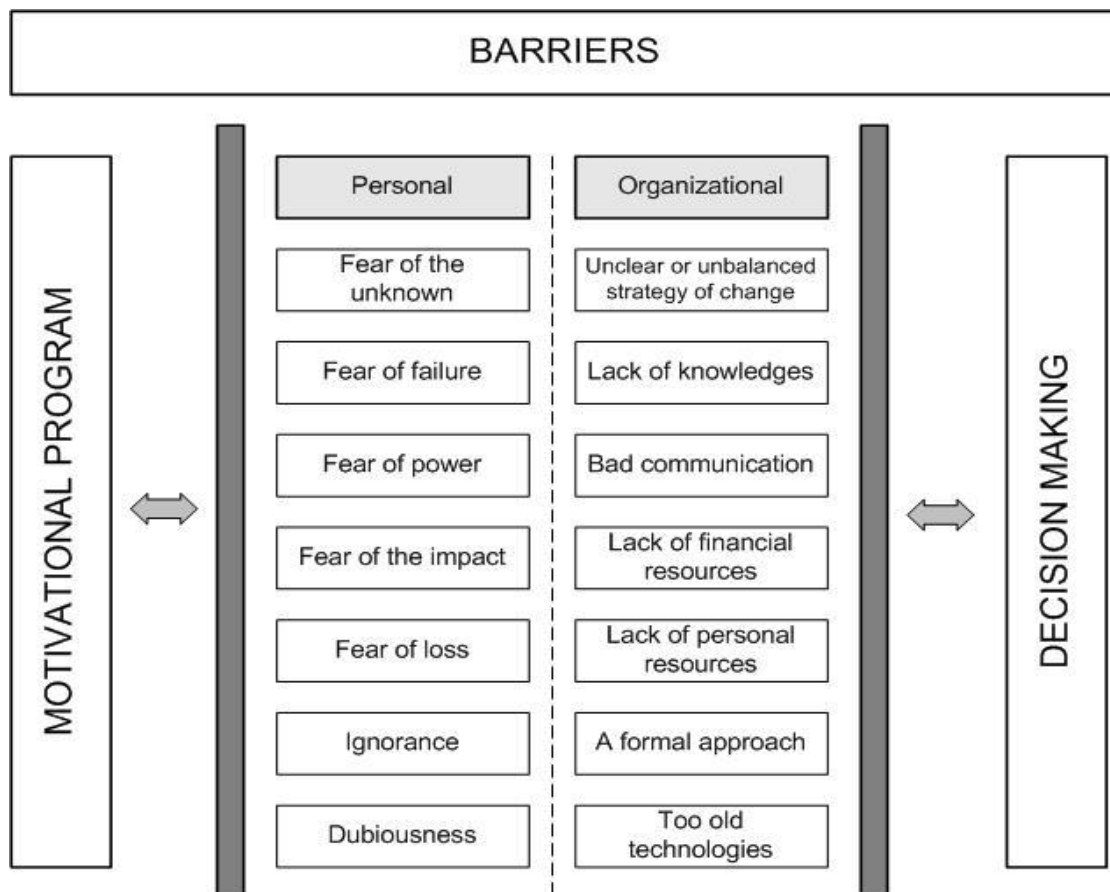


Figure 3: Barriers of changes in organization

Source: own study

Decision-making and creating of motivational programs are processes within the organization, which is also the result of a change. Therefore, even for these two processes affect

each barrier shown in Figure 3. In the case of decision-making, any decision raises some concerns that the outcome will not reflect the initial assumption. But this risk is always present in decision-making and therefore it is essential that managers possess certain characteristics, abilities and knowledge. These form the basis of good communication with subordinates and are a prerequisite for effective work with the available information. A director must be flexible enough to respect the volatility of the situation, specific tasks, time requirements, and the diversity of people he/she govern.

In the case of motivational programs are important people who compiled it (subject) and also for who are prepared (object). The subjectivity of subject and object influence the process of the preparing of motivational program. It affects the personal and organizational barriers to the proper assessment of input data and consequently the processing of materials for motivational program.

Removing barriers to be correctly selected through staff training, communication, to help them understand the logic of change. Another possibility is participation in decision-making on climate. The actual active employee involvement eliminates the barriers of misunderstanding, uncertainty and reduces their anxiety about the future of the organization and their jobs. In the case of the introduction of new working methods, it is appropriate to provide training for new skills, provide advice, consultation and demonstration. In any case, it is important to inform employees about what is the reason for change and in particular what is its purpose and potential reward for each employee for increasing the efficiency and profitability of organization.

5. Conclusion

Employee motivation affects the level and quality of changes in the organization, and conversely a change in the organization can lead to silencing or enhancing employee motivation. For many people, change is an important rider breaking element of motivation, which in the final stage to realize the feedback, and at a time when analyzing a stock of the results so far, to the time when the process changes. The motivational program as a tool for influencing motivation should be a part of the organization as a precondition of success of the implementation of future changes. Because only motivated employees are satisfied employees. Continuous assessment of motivational factors and by varying forms of motivation is not only increases work efficiency, but also strengthens the relationship of employee to the organization. Such employees are flexible in the future and better accept changes.

Organization that does not understand the importance of change and adaptation to scientific and technical progress has no great chance to succeed in the tough competitive struggle. This becomes less flexible and unattractive to the market. While every change requires some funding is needed in the organization of such leadership to consider the benefits of change and can accept new technologies and new knowledge. Change is also the risk of failure. It is necessary to evaluate and determine the degree of acceptability. Future benefits can help the organization to improve its market position and ultimately the profitability.

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