

**CHANGE MANAGEMENT IN THE CONTEXT  
OF STRATEGIC DEVELOPMENT  
OF TRANSPORT ENTERPRISES**

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**Abstract.** Based on the study of domestic and foreign scientific literature, it is established that the issues of the essence of the category of «change management» as a systemic integrity remain insufficiently studied. Management of changes in strategic development of transport enterprises is proposed to be considered from the standpoint of a system-integrated approach and interpreted as a management process aimed at anticipating possible factors influencing the performance of enterprises, which is the basis for a portfolio of economic and intellectual and innovative development of organizations.

The paper substantiates the model of change management in the enterprise, which provides a sequence of changes. Emphasis is placed on the awareness of the need for the latter and changing the philosophy of thinking of business owners and the need to involve in the discussion of the action plan and innovations of a wide range of specialists and employees. The study found that according to the theory of systems, changes in the factors of success of enterprises in their strategic and competitive development should cover all components as a system integrity – goals, values (goals and means to achieve goals), organizational culture; functionally providing subsystems, forecasting, information, accounting and analytical, technical and technological, resource, logistics and other areas; environmental,

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organizational, social, intellectual, personnel, managerial, communication, image and other potentials. In this aspect, a diagnostic technique is proposed, which covers the main directions of the external and internal environment.

The results of the study identify the main stages of change management, which are the basis for the successful implementation of the latter, namely: a conceptual approach to capacity building as a system of measures in the context of strategic change; anticipatory prediction of dynamic changes in the external environment; changing the company's position in the external markets through the implementation of sound management ideas.

**Keywords:** management, development, changes, system, transport enterprise, efficiency, strategy, strategic development.

**Introduction.** In the current conditions of development: globalization and integration, increasing competition in domestic and global markets, transformational transformations, communication, there are processes of a dynamically changing nature. They cover all areas and components of enterprises as a system of integrity of innovation and creative direction in their organic unity with the target settings for the development of environmental, social, economic and other areas of socio-economic environment. The development of transport enterprises of Ukraine takes place in the conditions of changing state priorities, introduction of new and improvement of existing technologies, expansion of the list of products and services, change of needs and tastes of consumers, intensification of competition. Such high dynamics of the modern economic space requires transport companies to develop such key competencies as the ability to respond effectively and quickly to urgent challenges. However, in practice, the necessary changes in most enterprises are not carried out on a systematic basis, without focusing on solving problems in the organic unity of social, intellectual and economic direction. They are selective and aimed at partial improvement. The solution to the existing problem is possible by using a new approach to the formation of a system for ensuring the strategic development of transport enterprises through change management<sup>1</sup> as a systemic integrity.

Theoretical, practical and methodological aspects of development and change management at the enterprise are reflected in the scientific works of foreign scientists: I. Adizes, M. Albert, I. Ansoff, A. Arthur, P. Drucker,

M. Mescon, A. J. Strickland, A. Thompson, F. Hedoury, J. A. Schumpeter and others, as well as domestic scientists: S. Sudomir, O. Raevneva, O. Tridida, S. Nesterenko, M. Ponomareva, O. Chernyak, P. Zakharchenko, T. Klebanova, D. Voronkova, K. Prib, A. Sadekova and other researchers-economists. However, in most scientific papers the issues of the essence of the category of «change management» as a system integrity remain insufficiently studied, there are no methodological approaches to the formation of such a system.

The need to form and implement a change management system, the development of scientifically sound strategies for the development of transport enterprises and led to the choice of topic, which is the basis for determining the purpose and objectives of the work.

### **1. Formation of the concept of change management in the context of strategic development of transport enterprises**

In today's changing environment, the problem of forming a concept of change management is becoming increasingly important. This is due to growing competition, the desire of enterprises to become better in the long run, the need to satisfy the most demanding consumers. Change is an integral part of these processes, and an effective mechanism for managing them is a key component of strategic management.

The concept of change management covers all changes that have been planned, organized and controlled in various areas of enterprise activity, namely: in the field of strategy, production processes, structure and culture of any socio-economic system, including private and public enterprises [2].

Management can be carried out only if there is a real system that solves the problem of management. If this system is an organic part of the organization, its actions are managed by the organization and it does not solve problems other than management, then it can be considered as a specialized system or as a management system. The highest rate of system change management is provided by a balanced approach to the formation of system change in the context of the interaction of management of the latter with the main types of management.

The problem of personal qualities of employees acquires special significance in connection with the recent trends in the development of economic life, which put forward new requirements for management.

Enterprises operate in an environment characterized by very rapid changes and, consequently, very rapid changes in priorities in the consumer market. In turn, this requires management systems unprecedented flexibility with all possible participation in the management of all employees of the company.

According to the theory of systems, changes in the factors of ensuring the successful operation of enterprises in their strategic and competitive development should cover all components as a systemic integrity – goals, values (goals and means of achieving goals), organizational culture; functionally providing subsystems, forecasting, information, accounting and analytical, technical and technological, resource, logistics and other areas; environmental, organizational, social, intellectual, personnel, managerial, communication, image and other potentials [3].

In this aspect, we have proposed a method of diagnosis, forecasting, formation of systemic change management in the context of certain targets in the strategic development of competitive enterprises. It should be

Table 1

**Differences between external and internal environment**

<b>Subjects of the external environment</b>	<b>Subjects of the internal system environment</b>
Changing socio-economic policy effective direction	Strategy of «gaining leadership positions» in SZG
Changing socio-economic policy deregulatory direction	Strategy for expanding geographic market segments
Qualitative and structural change of needs of subjects demand	Product diversification strategy
Changing competitive demand in SZG	Changing the structure of values– means in the system of competitive benefits
Increased competition in the entity’s FTA offers	Export orientation strategy in the activities of enterprises
Growth of import potential in SZG and market segments	Structural and systemic change of components of situational direction
	Structural and qualitative systemic change of components in the conditions of innovation behavior
	Structural integration and organizational change

taken into account who is the initiator of systemic change – the external competitive environment or internal, which have their differences (Table 1).

The basis for the successful implementation of systemic changes in the enterprise is the effective use of its potential. The formation of the latter is determined by the first stage in the process of change management. For its formation it is offered to apply the conceptual approach which includes the following sequence (Table 2). In addition, the stages of change management include: anticipation of dynamic changes in the external environment and change the position of the enterprise in the external markets through the implementation of sound management ideas.

As noted earlier, according to the level of development of the enterprise, there are four types of their reaction: incremental, entrepreneurial, competitive, innovative, strategic. It is clear that the management of systemic change has features depending on the level of development of the enterprise. Hence, for each type of enterprise response, appropriate options are proposed in such areas as: the main target of enterprises in interaction with the environment, the target of intra-system enterprises, requirements for the formation of potential opportunities of enterprises and their competitive advantages, speed of change, type of behavior of socio-economic systems in a competitive environment, target orientation of the management system of formation and development of potential systemic changes in the dynamic development of enterprises [6].

### **2. The concept of change management of strategic development of transport enterprises**

The concept of change management involves defining the target direction of change, principles, tools and methods of management.

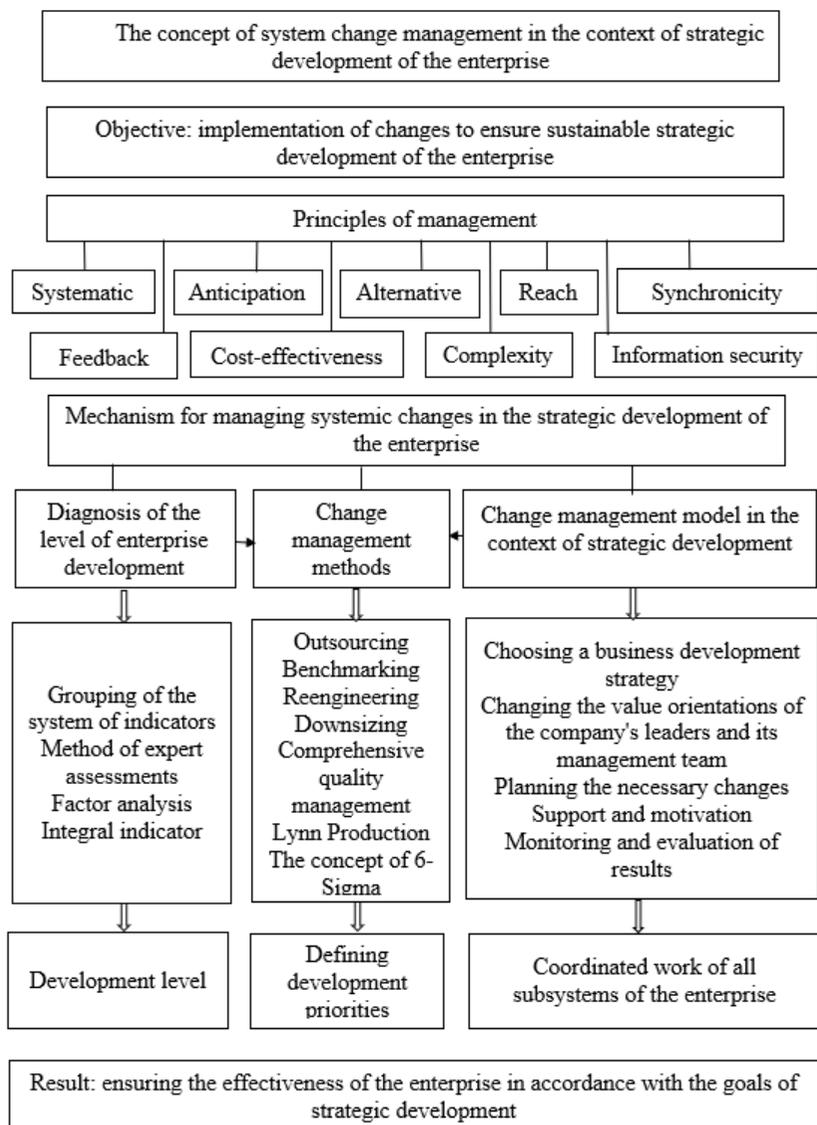
In our opinion, the concept of change management should be implemented in accordance with the target direction of enterprise development and based on such principles as: system, bias, complexity, alternative, synergetic, achievable, information support, synchronicity, continuity, feedback (Figure 1).

When managing change in the enterprise, the latter should be divided into two areas: process management and personnel management. Business processes are interrelated types of work that are performed over a period of time and lead to the achievement of certain results. Typically, these

**Stages of change management**

Stages of change management	Characteristics
Capacity building as a system of measures in the context of strategic transformations in enterprises	To form a methodology of strategic diagnostics, including methods of research and evaluation of decisions
	Develop an algorithm for strategic diagnostics
	To form the intra-system potential of collective support of the managerial idea of systemic changes in the enterprise
	To form a group of specialists with creative and systemic thinking in the context of areas of systemic change in the strategic development of the enterprise
	To form a system of information, accounting and analytical support of the program of changes in the strategic development of the enterprise
	Develop an algorithm for the formation and implementation of a program of systemic change in the strategic development of the enterprise
Substantiation of directions of strategic development of enterprises according to possible types of their behavior taking into account strategic anticipation of changes in the external environment and the formed managerial idea in the context of own vision of strategic development of the enterprise	<p>Anticipatory prediction of dynamic changes in the external environment, which caused by:</p> <ul style="list-style-type: none"> <li>– change of socio-economic policy of regulatory direction;</li> <li>– change of socio-economic policy of deregulatory direction;</li> <li>– qualitative and structural change in the needs of demand entities;</li> <li>– change in effective demand in strategic management areas (SAGs);</li> <li>– strengthening the competition of the SZG of the subject of proposals;</li> <li>– growth of the share of import potential in SZG and market segments;</li> <li>– political component</li> </ul> <p>By changing the position of the company in the external markets by implementation of managerial ideas:</p> <ul style="list-style-type: none"> <li>– gaining leadership positions;</li> <li>– expansion of geographical market segments;</li> <li>– development of structural and product diversification;</li> <li>– change of podstours of values</li> <li>– means in the system of competitive advantages;</li> <li>– change of priorities of orientation actions of export direction;</li> <li>– development of organizational and integration areas in the activities of enterprises;</li> <li>– focus on innovative behavior</li> </ul>

## Collective monograph



**Figure 1. The concept of change management of strategic development of enterprises**

processes begin with the identification of requirements and end with the establishment of relationships with suppliers. As for personnel management, they are the basis for successful change in the enterprise. The effectiveness of this process depends on the quality of staff, organizational culture in the company, the image of the head and the desire of employees to change [9].

At innovation the organization of work with people is carried out according to principles:

- informing about the essence of the problem;
- preliminary assessment (informing at the preparatory stage of the necessary efforts, projected difficulties, problems);
- bottom-up initiatives (responsibility for the success of implementation needs to be shared at all levels);
- individual compensation (retraining, psychological training, etc.).

There are the following types of people in their attitude to innovation.

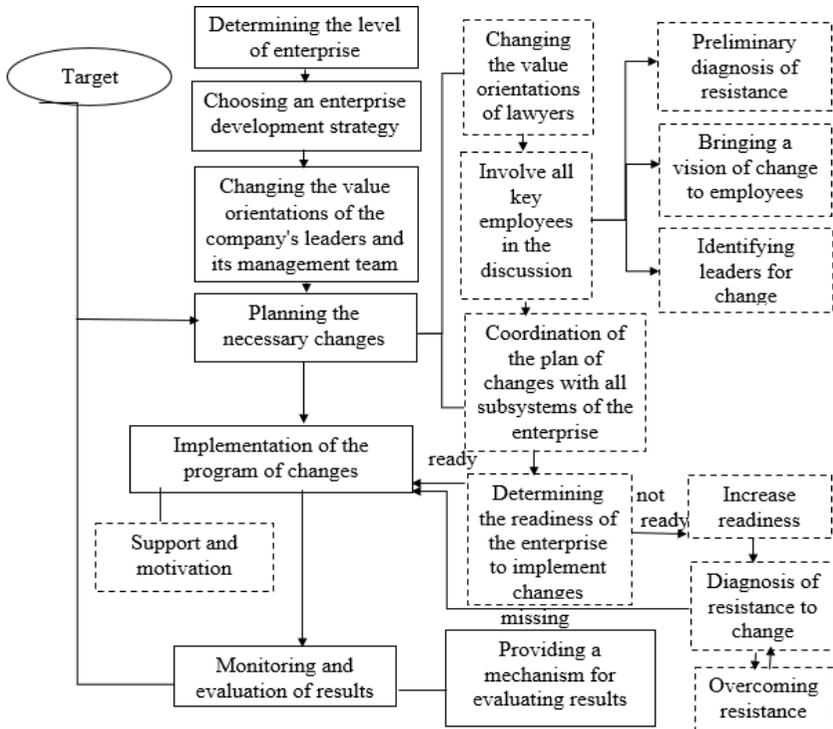
Innovators are people who are constantly looking for opportunities to improve something. Enthusiasts are people who accept the new, regardless of the degree of its elaboration and validity. Rationalists – accept new ideas only after careful analysis of their usefulness, assessment of difficulties and the possibility of using innovations.

In order to improve its activities and continuous customer satisfaction in order to maintain its own competitive position, it is important for the company to timely apply modern methods of change management, which can be supplemented, adjusted or used in part. Modern methods include: outsourcing, benchmarking, reengineering, downsizing, comprehensive quality management, line production, the concept of 6-Sigma [7].

To choose a change management method that will be acceptable to a particular company, it is important to know its level of development and its level of potential, because they solve different problems and have different goals. That is, the correct choice of management method affects the efficiency and strategic success of the enterprise.

Models of change management are characterized by similarity of stages of the management process (Figure 2).

At the first stage, the company assesses the existing level of development of the company, identifies its strengths and weaknesses, identifies its potential. A real assessment of the development of the enterprise is the key to making the right management decisions. Therefore, the analysis of the



**Figure 2. Model of management of systemic changes of strategic development of transport enterprises**

situation should be comprehensive and comprehensive. The next step is to determine the development strategy of the enterprise, focusing on the main purpose of the enterprise, its state of development and external factors.

The most important stage, in our opinion, is the stage of awareness of the need for transformation and change in the value orientations of managers and employees of the enterprise, aimed at the productive activities of the enterprise social, intellectual, environmental and economic direction.

### 3. Model of overcoming resistance to change in the enterprise

Despite the fact that the transition process is often carefully planned, any changes almost always entail a state of uncertainty in the organization. In

this regard, the success of the activities largely depends on how much the company's staff is involved in the process itself, how clear and transparent the goals of organizational change. A shared vision of the future allows the organization's staff to come together to achieve a common goal.

Changes will not be successful if the goals, the criteria for achieving them, and the obvious benefits of the new, desired state of the organization are not clear at first. Before we go somewhere, we need to explain why we are doing it and what we will have as a result. After that, you can make an action plan that answers the question of how we are going to move to the desired future. It is important that not only managers but also employees participate in event planning [4].

At the planning stage of change you need:

1) develop and divide the plan of changes into specific, understandable to the performers, tasks, actions;

2) in order to reduce or prevent possible resistance to change, it is necessary to involve all key executors of this process in the discussion of the change plan. Understanding and supporting employees can accelerate the process of change, and as already mentioned, time is a limiting factor in implementing the strategy. Therefore, at this stage, outreach work is carried out with employees, their support is enlisted, leaders are identified – leaders of change; is

3) to ensure the systematic implementation of the management process to coordinate the compliance of changes to all subsystems of the enterprise;

4) identify the adequacy of financial, material and labor resources of the organization to make changes, identify the main organizational and psychological barriers to organizational change, to determine the degree of interest of senior management in carrying out organizational change.

At this stage, it is necessary to analyze the degree of preparedness of employees for change (staff awareness of change, the availability of relevant knowledge and skills of employees for change, interest in change).

If the company's ability to make changes does not match, the reason is determined. Successful implementation of changes passes through the employees of the enterprise, through their understanding and desire to change and implement changes. If this is ignored, the company will face resistance to change. Therefore, at this stage, the diagnosis of resistance to change among employees of the enterprise. Resistance to change can exist

at different levels of the hierarchy: at the management level, at the middle manager level or at the employee level. To determine the right methods of overcoming resistance to change, it is necessary to identify at what level there is resistance to change and for what reason [8].

In order to effectively carry out changes in the enterprise, along with identifying resistance, it is also necessary to determine its root causes and methods of overcoming them.

There are many reasons for resistance, but among the main ones are the following [1]:

- uncertainty in the positive results of the implementation of changes;
- feeling of inconsistency of one's own qualification and, as a consequence, loss of one's own status;
- unwillingness to change something, because everything is fine anyway;
- fear of losing wages, positions;
- unwillingness to make efforts for their own development and self-improvement;
- threat to established relations in the team;
- competition in the team: reluctance to professional growth of colleagues affected by the transformation;
- uncertainty of prospects for the enterprise as a whole.

Resistance can be covert, in the form of deliberate bureaucratic delays, sabotage of production processes, and open – strike, damage to equipment, production of substandard products and more.

Such resistance is natural: most people strive for stability and predictability of their existence and are afraid of revolutionary breakdowns of the usual way of life, as well as have their own idea of how to implement the strategy. The prospect of the need to change informal relationships, behavioral norms for groups of workers is primarily resistance to change. Resistance to change on the part of individuals and groups can often be the only but powerful force holding back the development of the organization.

However, it should be noted that resistance does not always have negative phenomena in the process of implementing change. When resisting change, management should consider this phenomenon as a means of feedback, as well as for:

- detection of hidden problems at the enterprise;
- dialogue with employees for whom it is necessary to feel important;

- cohesion of the team, whose opinion is taken into account for the formation of enterprise development strategy;
- formation of a positive psychological climate in the team as a whole.

Resistance management is built on anticipatory work and includes a range of measures to address and persuade, encourage and administer.

The next stage in the change management model is the process of implementing change itself, during which it is important to support those who are directly involved in the process. Support can be emotional, when you need to show the importance of the role of the employee, moral – to give confidence in their own strength, or in providing all the resources necessary for the planned changes [5].

The final stage is the control of the results of the process of implementation of changes, their evaluation and comparison with the identified objectives of strategic development of the enterprise. In case of non-compliance of the latter, the strategy is adjusted.

Thus, models, methods, stages, time constraints, conditions and components of the transformation process are specific to each level of change management and for each level of enterprise development. Therefore, every modern transport company defines the main goal of systemic change management as a reasonable selection of these elements in accordance with existing or strategically anticipated factors of the external and internal environment of the enterprise.

**Conclusions.** The results of the study identify the main stages of change management, which are the basis for successful implementation of the latter, namely: Conceptual approach to capacity building as a system of measures in the context of strategic change; anticipatory prediction of dynamic changes in the external environment; changing the position of the company in the external markets through the implementation of sound management ideas.

The research proposes and substantiates the model of change management in transport enterprises, which provides a sequence of changes. Emphasis is placed on the awareness of the need for the latter and a change in the philosophy of thinking of business owners and the need to involve in the discussion of the action plan and innovations of a wide range of specialists and employees.

Solving the problem of forming a program of strategic development of enterprises first of all requires establishing the content of the development strategy and its place among other strategies. Development of strategies of motor transport enterprises is a process of forming a promising direction of enterprise development on the basis of new goals, which are determined based on the degree of consistency between internal capabilities of the enterprise and the conditions of dynamic macro- and microenvironment and a set of measures.

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