

## CHANGE MANAGEMENT FOR THE SUSTAINABLE DEVELOPMENT OF ORGANIZATIONS

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**ABSTRACT:** *Change is an inevitable and necessary component in today's business environment, marked by growing concerns about environmental impact and society's increasingly stringent requirements for corporate responsibility. For this reason, organizations committing to sustainable development can face complex and transformational changes with impacts on their management, customers and stakeholders. This paper intends to present the key concepts: change management and sustainable development, emphasizing their essential link. Change management is the process by which organizations plan, implement, and evaluate structural, technological, or behavioral changes, while sustainable development refers to the ability to meet current needs without compromising the ability of future generations to meet their own needs.*

**Keywords:** *Sustainable development, sustainability, change management*

**JEL Classification:** *M10; M14; Q01*

### 1. INTRODUCTION

In the current context, economic, social, and environmental challenges have transformed and will continue to transform the world we live in. Today, the world faces environmental pressures and, consequently, new challenges on a scale and with a level of interdependence that are unprecedented. Although environmental issues have been in the attention of the specialists for a long time, they argue that “contemporary forms of environmental degradation are more global than ever before in human history and involve the most significant set of risks and threats to human life” [9].

Global ecological threats call into question the very existence of humanity, as it faces extraordinary pressure generated by resource depletion, rising temperatures, extreme weather events, melting glaciers, rising sea levels, the death of coral reefs, the extinction of species, deforestation, soil erosion, desertification, excessive urbanization, waste management issues-phenomena with direct repercussions on the management of all economic organizations. In the near future, these challenges will increasingly question the current production, consumption, business, and the use of natural resources and common goods models [17].

In this context, marked by uncertainties related to climate change and the depletion of natural resources, the concept of sustainable development has become increasingly important. Sustainable development, in its already classic definition as outlined in the Brundtland Report,

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is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." [19]. Munasinghe considers that "sustainable development is an on-going process integrating ecological, economic, equity and ethical considerations for current and future generations of people and other living creatures, without endangering the life support systems of the planet upon which ultimately all life depends" [16].

## **2. ORGANIZATIONAL CHANGE MANAGEMENT FOR SUSTAINABILITY**

Sustainable development is one of the challenges of the century, but at the same time, it can offer viable opportunities to organizations, becoming a development model of that allows them to obtain economic, social and environmental advantages. For organizations that want to streamline managerial processes, it is important to include the sustainable development goals in organizational strategies. These objectives should be treated as a condition of building a sustainable business, involving increasing operational efficiency and gaining competitive advantage.

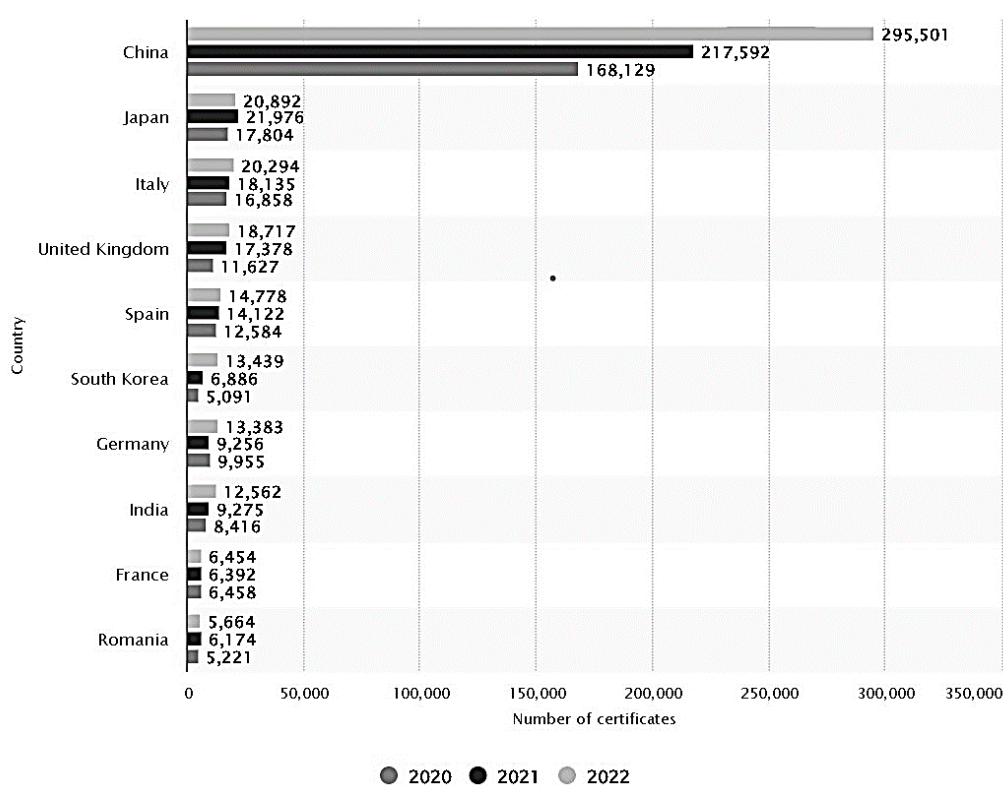
Historically, the term "sustainable" emerged among the specialist concerned with the environmental issues and protection. A commitment to sustainability fundamentally involves recognizing that the social and environmental challenges of the 21st century are real and that they require embedding the global economic and political order in a diverse range of values and practices. The concept of sustainability is the result of a growing awareness of environmental (natural) constraints, correlated with social, cultural, economic, political, ideological, and psychological constraints, according to which human activities should be conducted and managed to ensure that the needs of society and its members are met in stable and long-term conditions [5].

Companies are increasingly aware of their impact on the environment and are reassessing their practices to align with global trends. In this context, developing sustainable businesses becomes an essential framework in which companies can redefine their strategies, implement more socially and environmentally responsible practices, and contribute to building a sustainable society [1].

The importance of developing sustainable businesses is evident from multiple perspectives. Firstly, addressing environmental issues and reducing negative impacts on the environment is crucial for protecting our planet. Climate change, pollution, biodiversity loss are just a few of the major challenges we face, and sustainable businesses have the potential to offer viable and lasting solutions in these areas. Secondly, developing sustainable businesses can bring significant economic benefits. A sustainable approach can lead to increased energy efficiency, reduced operational costs, and the identification of new business opportunities in the green technology sector. In a world where natural resources are limited, adopting sustainable practices can create competitive advantages and ensure the long-term viability of businesses [14].

Consequently, many companies have invested time, effort, and resources in environmental protection activities. Some have already implemented an environmental management system, others are in the process of introducing one, while others have set environmental objectives in their business strategies. As a result of the benefits that can be achieved through the implementation of an environmental management system, the number of companies adopting ISO 14001 has increased year by year. Thus, the number of countries with ISO 14001 environmental management system certifications has grown from 141 countries in 2006 to over 200 countries by 2023.

**Figure 1. Countries with the highest number of valid ISO 14001 certificates worldwide from 2020 to 2022**



Source: Statista, 2024, <https://www.statista.com/statistics/1266545/iso-14001-certs-globally-by-country/> [18]

Following the global trend, the number of ISO 14001 certifications in Europe has also increased, from 17,941 in 2001 to 529,853 in 2023, with the most certifications recorded in Italy, the United Kingdom, Spain, and Germany. In Romania, the number of ISO 14001 certificates has risen in recent years from 96 certified companies in 2002 to over 5,600 in 2022 [18].

In Romania, three-quarters of companies increased their investments in sustainability last year, with 20% of them reporting that the resources allocated were significantly higher than in previous years, despite economic uncertainties and rising operational costs, according to the Deloitte "CxO Sustainability Report 2023." Climate change ranks among the top three priorities on the agendas of company's managers, closely following the economic context and ahead of areas such as innovation, talent acquisition, supply chain issues, or geopolitical tensions, the study further reveals [7].

The role that sustainability plays in the company's development strategy is becoming increasingly well-defined at the management level, whether it involves managing the overall impact of the company's activities or creating long-term value for stakeholders, concludes a study conducted by EY Romania. According to the survey, 80% of respondents state that integrating sustainability into the decision-making process has a long-term impact on operational performance. Following this, "decision-making transparency" (40%), "energy efficiency" (29%), and "the overall impact of company activities on the environment" (27%) are also considered important. The same EY survey indicates that nearly 74% of respondents believe that integrating sustainability principles into business strategy and operational management is a priority for the companies they represent [15].

Being part of the social environment, which is constantly changing, organizations must continuously adapt to the changing environment. Thus, adaptability to environmental changes

has now become a fundamental condition, not only for the success of an organization, but also often for its survival. The dimension of the environmental changes varies from country to country and region to region, but there are also global changes that affect societies and companies around the world, as is the case of the changes caused by the crisis of energy resources, environmental pollution, etc.

Currently, the studies related to organizational change, emphasize the decisive role of accepting change for the development and progress of organizations and change is treated as a normal condition of organizational life. The father of modern management, Peter Drucker, emphasizes that future managers must focus on change, viewing it both as an opportunity and a threat. He supports this statement by explaining that "if you start by seeing change as a threat, you will never innovate anything. We should not dismiss something just because it is outside our plans. Often, the unexpected is the best source of innovation." [8].

Aligning with sustainability principles must begin with changing of the organization's visions, values, and beliefs. Specifically, by transforming the organizational culture of companies, it becomes possible to integrate this concept into business strategies. Sustainable development management requires modifying organizational culture to ensure the implementation of sustainability at all levels of a company and evaluating organizational performance through the lens of sustainability [6].

To achieve sustainable development, organizations need to integrate change management practices so that they become components of sustainable development. According to Eugen Burduş, organizational change management consists of the set of processes of foresight, organization, coordination, training and control of measures to replace, modify, transform or transform the organization into form and content, in order to increase its efficiency and competitiveness [2].

Change management facilitates the elimination of risk situations and the maintenance of the organizational environment in a situation of balance, thus contributing to ensuring continuous development. The ultimate goal of organizational change is success, that is, a better match between the organization and the environment in which it evolves, as well as a more efficient and effective way of working. The success of organizational change depends both on the quality of the solution found and on the effectiveness of its implementation [4].

Organizational change management involves a continuous process of renewing the direction, structure, and capacity to meet the ever-changing needs of internal and external customers [13]. Furthermore, sustainable organizations continuously renew their processes and products, adapting them to the new context [10]. This is particularly important in the context of sustainability, where the necessary organizational change is more profound and cannot be achieved quickly or in a single stage. Organizational change must be implemented both from the top down, to create the necessary structure and provide a sustainable vision, and from the bottom up, to encourage participation from all employees.

Hirschhorn suggests, that change processes should be organized not as one big task, but divided into three tightly linked, but still different approaches: the political approach, which includes the coalition forming and change of the organizational structure; the marketing approach, which involves key employees and listens their ideas; the military approach, which provides the attention and the commitment of managers by building insurgent initiatives. These approaches should run simultaneously in order to achieve success [11].

Kotter analyzed the possible failure factors of change processes, and identified 8 steps of the change management process [12]. The required condition is the feeling of urgency for change that is able to start the change process by giving power to step out of the status quo. The other steps are the followings: forming a good team (supportive coalition), create a vision of change, communicate the vision, remove obstacles, change fast (create short term wins), consolidate results and keep on changing while embedding changes into culture.

In order to implement a change, it is necessary to go through the change in a planned manner. Rational planning allows decision-makers to carefully weigh the consequences of alternatives and choose an action plan that maximizes the achievement of goals [3].

The pressures exerted on organizations regarding change are permanent, but at the same time, they also externalize a resistance to change, representing the complex difficulty faced by managers. The main causes that generate a person's resistance to change are: selective attention and memory, habits, addiction, fear of the unknown, economic reasons, security [2].

A change cannot be made without identifying a problem that the system or part of the system has. Change is required when there is a vulnerability. Once the problem has been identified, it is necessary to analyze it extensively and formulate the most optimal solutions to solve the problem.

After formulating the solutions, the people responsible for implementing the change choose the most tangible and easy-to-accept solution, so that the implementation and acceptance of the change is fully realized.

Change must be both effective and effective. All the changes made must also be evaluated. Following the evaluations carried out by specialists, the impact of the changes can be perceived.

### 3. CONCLUSIONS

In the current context, characterized by unprecedented economic, social, and environmental challenges, organizational change management becomes essential for the transition towards sustainable development practices. This paper has demonstrated that integrating sustainability into organizational strategy is no longer just an option, but a necessity for the long-term survival and success of companies.

The organizational change required to adopt sustainability principles is profound and must be approached systematically. Transforming organizations towards sustainable development cannot be achieved quickly or in a single stage; it involves a continuous process of renewal and adaptation. This change must be managed both from the top down, by creating the necessary structure and clear vision, and from the bottom up, by actively involving all employees in the transition process.

Moreover, the paper highlights the importance of viewing change not only as a threat but also as an opportunity for innovation. Accepting change and continuously adapting to new realities are essential conditions for organizations to remain competitive in a dynamic environment and to contribute to building a sustainable society.

In conclusion, effective organizational change management in the context of sustainable development requires a profound transformation of organizational culture, a clear and long-term vision, and an integrated approach that includes all stakeholders. Only in this way can companies achieve their economic, social, and environmental objectives, while ensuring their resilience and success in the future.

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