

## Analysis of the Definition of “Change” as an Economic Category\*

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The paper investigated general world trends in the field of business change in business, in which the authors highlighted a versatile view of science and summarized information on definitions of “change”, providing each of the existing list of definitions that relates to scale. The authors analyzed theoretical approaches to the definition of various scholars and identified the main characteristics of these approaches. The analysis showed that most scholars are interpreting changes as a generalization category based on general economic provisions relating to strategic potential, free markets, behavioral properties. According to the results of the study, the authors formed a summary table, which reflects a separate characteristic and interpretation of the term “change”, provided by various scientists.

As a result of the study, the authors formed the actual interpretation of definitions on the basis of processed literature, which, unlike other treats changes, as an organizational process that is in constant motion and adaptation to a new information economy. In this case, as the main driver of adaptation to changes, the authors consider a business process model of the organizational structure, which is based on optimizing functional and information flows and a dramatically different approach to the use of human resources.

Practical examples given by the authors confirm the main thesis of all scholars, which consists in the inevitability of the introduction of transformational business management techniques, which are considered to be more flexible, and therefore more effective in today's realities of the world economy.

The authors provided recommendations on further research of changes in processes that should focus on a clear balance between the development of new methodological approaches and their scientific substantiation.

*Keywords:* development, organization, changes, term, enterprises, management, transformations, definition

УДК: 65.014.1

JEL Codes: M11, O32

**Introduction.** Management of economic development is probably one of the most complex mechanisms of interaction of many branched systems and subsystems. Coordination of all elements, provision of necessary indicators of functioning, support and monitoring of timely

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\* The paper is prepared within the scientific research project “Sustainable development and resource security: from disruptive technologies to digital transformation of Ukrainian economy” (№ 0121U100470).



transitions of a qualitative condition is only a small list of elements of management of organizational and economic changes.

Many unplanned changes are not evolutionary in nature. They occur because organizations need to respond to new challenges and situations. Such changes are adaptive or reactive. Planning helps the organization to properly prepare for expected changes and minimizes the number of spontaneous decisions. Thus, the planned changes can be active. From this formulation of the problem it follows that change can and should be managed, and this is the main function of management in any modern organization.

At the same time, we note that many factors affect the final result of the change management process, namely, the influence of external and internal environment. Since the process of change management is a living and multifaceted process, there are many factors influencing it, which means that transformations in it take place constantly, continuously, and they must certainly be taken into account. For each specific organization, the changes are different, both qualitatively and quantitatively.

**Analysis of recent research and publications.** Significant attention has been paid to the problems of change management by such scientists as I. Adizes, I. Ansoff, O. O. Hajdej, T. Grynko, P. Drucker, E. Cameron, K. Levin, Y. V. Lisun, D. Pew and others. The peculiarities of the formation of the change management system are paid attention to in the scientific works of O. Guseva, I. Dmitriev, O. Kuzmin, M. Melnyk, N. Riznyk, O. Savchenko, K. Freilinger, G. Shirokova, and others.

**The purpose** of the article is to analyze the theoretical approaches to the definition of "change" by different scientists, to determine the main characteristics of these approaches, to form their own interpretation of this definition based on the processed sources of information.

**Research results.** Consider a multifaceted interpretation of the term "change" by various researchers and scholars. First, let us turn to the interpretation of the category of "change" in the general philosophical dictionary. Therefore, according to the dictionary, "change is a category included in the totality of concepts that characterize movement and development" [1]. Thus, it is necessary to understand that at any stage of development of the enterprise, the strategic approach to realization of changes is unalterable.

The author of the source [2] T. V. Hrynko explains the changes as a necessary tool for the development of economic entities, namely change management should ensure the competitiveness of enterprises on the basis of adaptation to environmental conditions. Note the author's generalized approach to this definition.

Scientist S. G. Turchyna, in her scientific article [3], notes that the change management system has certain properties that determine the behavior of the system and its economic and managerial nature, namely, integrity, adaptability and development, compatibility and synergy. At the same time, she identifies the following change management methods: organizational development, business process reengineering, TQM, parallel engineering, and restructuring.

The author of the research [4], A. G. Baldynyuk, argues that changes must correspond not only to the overall mission (otherwise it must also be changed) and development strategies of the organization, but also to each projection of development. It is also noted that the best example of the formation of strategic development priorities is the introduction of a system of balanced scores which allows managers to focus on the main projections and link them together.

An interesting view at the term «change» has the scientist A. N. Skibitsky. In his work [5] he interprets it as "Change is a change in the organizational structure, products, technology, personnel, powers, rules, and strategies. They relate to all organizations and lead to innovations that cause an assessment and change in the goals of the organization, a change in structure, a

change in technological processes, a modification of employee behavior, and a change in the implementation of any activity”. His author approach to the definition may be called more detailed, since it combines resources, methods, and consequences of introducing changes in enterprises and organizations in one sentence.

L. Balabanova [6] believes that strategic changes are the changes that are carried out during the implementation of strategies to achieve certain strategic goals of the organization and involve the transfer of strategic potential of the organization from the existing state to the new desired state. Note that this scientist also tends to streamline the transformation processes of the general strategic provisions.

Let us note the point of view of the famous scientist-expert in the field of transformation management J. Harrington [7]. According to him, change is a process of moving from the current state (as it is) through a transition period to the desired state. He refers to the direct objects of change: changes in the general goals of organizations, in structure, changes in technological processes, in the management of organizations at all levels, changes in design features in production.

R. Duft [8] noted the need to model and plan in change management processes. His thesis sounds like: “organizational changes are defined as the company's mastery of new ideas or patterns of behavior”.

Scientist O. V. Gornyak [9] in his study notes the branching of organizational flows in the process of change. She argues that changes in organizational structures and management modify the nature of the enterprise itself: there are internal or organizational markets. At the same time, she has meant the transfer of laws and principles of market economy in the internal activities of the enterprise.

The sources [10, 14] notes that too frequent organizational changes lead to failures in the established tax management, loss of time for its organization in the new conditions, deterioration of the psychological climate, and reduced performance. Therefore, the authors of this statement believes that structural reorganization should be accompanied by sufficiently long “rehabilitation” periods, necessary for both the management system and staff.

The study of the theoretical and methodological foundations of organizational change management at the enterprise allowed the scientist D. V. Naypak [11] to formulate his own definition of “organizational change”. Thus, in his opinion, organizational change is the process of radical or partial transformation of the enterprise or its individual components, due to external and internal factors, which relates to such key characteristics of the enterprise as structure, hierarchy, processes, employees, resources, technology, key competencies and an organizational culture that reflects the transition from the current state to the desired one over time. Let us note the rather large-scale vision of the author, with the help of which he described his definition.

The authors of the source [12], I. I. Hrybyk, L. I. Popadyuk, and N. V. Smolinska, provide an interesting insight into the mechanism of change management. They believe that change management is a process that makes it possible for an organization to modify any part of its structure in order to function effectively in an ever-changing environment. We note a very original approach to the interpretation of the term, which they decompose into three dimensions:

- the first dimension concerns the introduction of planned, controlled changes which are carried out in a systematic way;
- the second dimension of change management includes responding to innovations over which the organization has very little or no control;

– the third dimension of change management is based on the content of the subject which includes mainly models, methods and technologies, tools, skills and other forms of knowledge that constitute the practice of change management.

The authors of the source [13], O. Ye. Kuzmin and O. G. Melnyk, interpret organizational change as a set of changes in the organization that cause innovation and can occur in the following areas: change of goals of the organization; change of structure, i.e, distribution of powers, responsibilities, division into departments, services, divisions, committees, etc.; change of equipment, technological processes, product designs; modification (change) of opportunities or behavior of employees (preparation for communication, relocation of officials, training, formation of groups, performance appraisal, etc.); and change in the management of production and economic activities.

To summarize, we include all the terms in Table 1, in which we note the features of different author's views on the definition of “change”.

*Table 1*

Generalization of the author's views on the definition of “change” and their characteristics

<b>Author</b>	<b>Scale</b>	<b>Feature</b>
1	2	3
Philosophical dictionary	Generalizing	Strategic approach
T. V. Hrynko	Generalizing	Focus on external factors
S. H. Turchyna	Generalizing	Focus on behavioral properties in economics
A. H. Baldyniuk	Detailing	Focus on balanced scorecard system
O. M. Skibitskyi	Detailing	Focus on an integrated approach
L. Balabanova	Generalizing	Focus on strategic potential
J. Harrington	Generalizing	Focus on the dynamics of functional flows
R. Daft	Generalizing	Focus on behavioral properties in economics
O. V. Horniak	Detailing	Focus on the laws and principles of market economy
V. V. Popova	Detailing	Focus on «rehabilitation» periods
D. V. Naypak	Detailing	Focus on the complexity of change
I. I. Hrybyk	Generalizing	Focus on the variability of external factors
O.Ye. Kuzmin	Detailing	Focus on the complexity of change

The analysis of the above interpretations makes it possible to assess the full diversity of the authors' views on the theoretical foundations of the definitions of “change”, “organizational change”, and “change management”. But none of the definitions focus on the modern information economy and the main business processes in it. Today, the largest organizational changes in business are taking place due to constant innovation in the digital sphere. Such changes can be managed only through a process-oriented approach to managing organizations. The transition to a business process model in organizational structures today is no longer exotic, but a necessary thing. Thus, the authors of this article propose to supplement the existing theoretical calculations with their own interpretation of the concept of “change”. In our opinion, change is a continuous movement of constant point and/or radical renewal of business processes at all levels of enterprises and organizations in order to adapt to the rapidly changing information economy.

**Conclusions and prospects for further research.** According to the goal set in this article, such important tasks as the study of theoretical provisions in the field of change management in business have been completed. The authors have highlighted a multifaceted scientific view and generalized information on the definition of “change”, providing each of the existing list of definitions with its own characteristics in relation to scale; they also have formulated their own interpretation of the definition of “change” which takes into account the focus on the modern information economy and the main business processes in it.

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*Manuscript received 06 January 2021*

**Аналіз дефініції «Зміни» як економічної категорії**

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У статті досліджено загальні світові тенденції у сфері управління змінами в бізнесі, в яких автори висвітлили різнобічний погляд науки та узагальнили інформацію щодо дефініції «зміни», надавши кожному із існуючого переліку дефініцій характеристику, яка стосується масштабу. Автори статті провели аналіз теоретичних підходів до дефініції з боку різних науковців та визначили основні характеристики даних підходів. Аналіз показав, що більшість науковців трактують зміни, як узагальнюючу категорію, спираючись на загальні економічні положення, що стосуються стратегічного потенціалу, вільних ринків, поведінкових властивостей. За результатами дослідження авторами сформовано узагальнюючу таблицю, в якій відображена окрема характеристика та тлумачення терміну «зміни», що надається різними науковцями.

В результаті проведеного дослідження, авторами сформовано власне трактування дефініції на основі обробленої літератури, яке на відміну від інших трактує зміни, як організаційний процес, що перебуває в постійному русі та адаптації до нової інформаційної економіки. При цьому в якості основної драйверу адаптації до змін автори вважають бізнес-процесну модель організаційної структури, яка будується на оптимізації функціональних та інформаційних потоків та кардинально іншому підході до використання людського ресурсу.

Практичні приклади, наведені авторами, підтверджують головну тезу всіх науковців, яка полягає у невідворотності впровадження трансформаційних методик управління бізнесом, що вважаються більш гнучкими, а тому і більш ефективними в сьогоdnішніх реаліях світової

економіки. Авторами надані рекомендації щодо подальших досліджень процесів змін, які повинні зосереджуватись на чіткому балансі між розробленням нових методичних підходів та їх науковому обґрунтуванні.

*Ключові слова:* розвиток, організація, зміни, термін, підприємства, управління, перетворення, визначення

*JEL код:* M11, O32

*Table 1, References: 14*

*Language of the article:* English

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